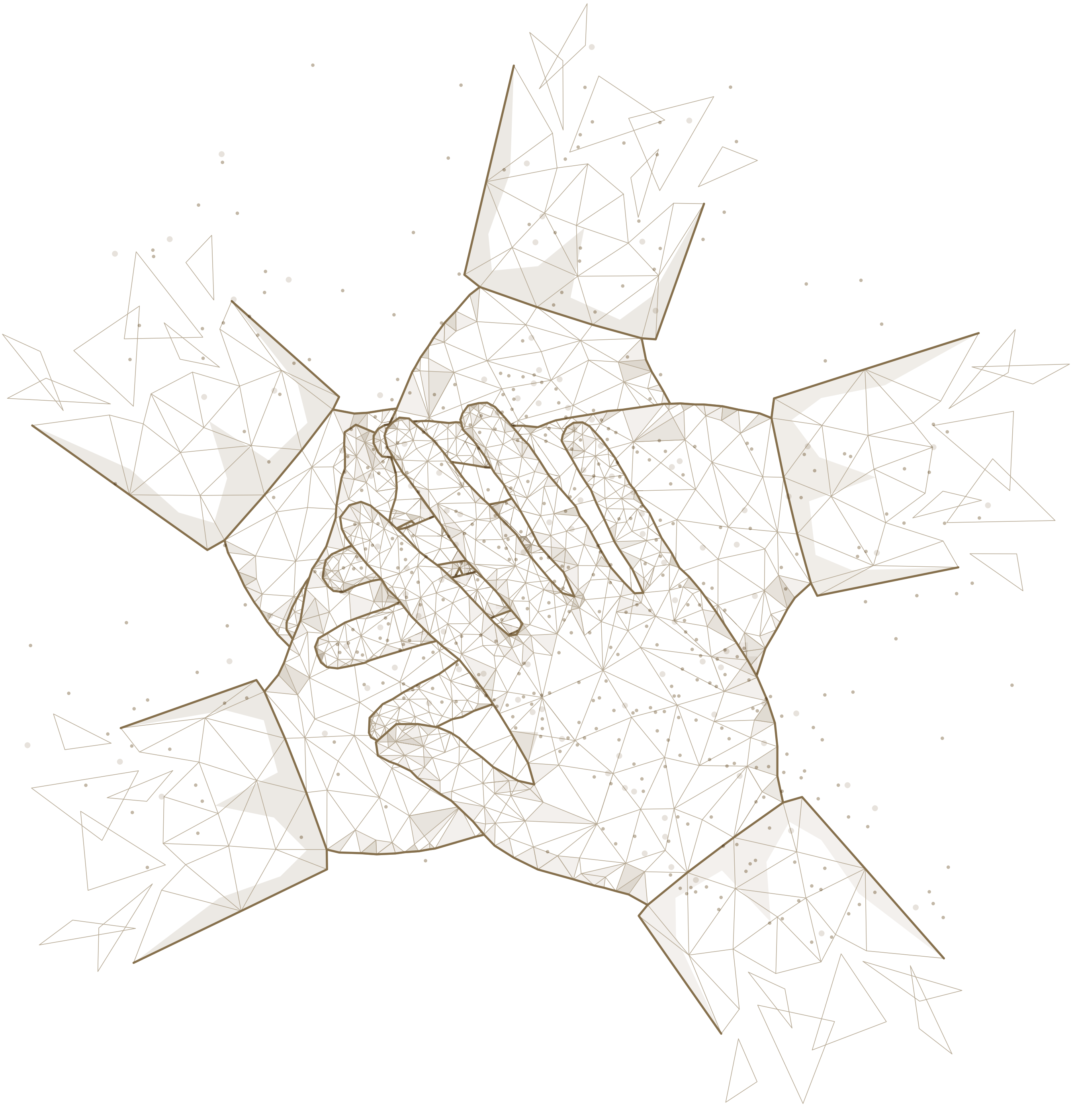
OSK HOLDINGS BERHAD
199001015406 (207075-U)

OSK



ANNUAL REPORT **2020**

**MOVING FORWARD,
PROGRESSING TOGETHER.**

MOVING FORWARD, PROGRESSING TOGETHER

OSK Group, as a conglomerate with an illustrious business track record spanning more than five decades, takes pride in realising our vision to be a long-term business builder that delivers strong and sustainable value to all our stakeholders.

As one of the leading property developers in Malaysia, we are renowned for delivering innovative design and quality products that promote communal living at its best. We continue to chart new frontiers by taking on new launches locally and abroad with developments that are not only market-driven, but also built with value and sustainability in mind to create lasting legacies for current and future generations.

Our financial services, manufacturing and hospitality businesses continue to deliver excellence, while capturing new markets and opportunities. At OSK, we believe in **Moving Forward** and **Progressing Together** to achieve shared successes and building the common good, as we grow with our stakeholders.

ABOUT **THIS REPORT**

Our Annual Report is an important communication tool that will be of material interest to our stakeholders, in which we showcase our financial and non-financial performance during the financial year 2020 ("FY2020"), including our achievements and challenges faced in an open and transparent manner.

The report is prepared to facilitate our stakeholders in making an informed evaluation of OSK Holdings Berhad's ("the Company" or "OSK") and its subsidiaries' ("OSK Group" or "the Group") ability to create value in the short, medium and long-term. In producing this report, effort is made to ensure that all information published in this report is accurate at the time of printing, and have material bearing on the Group's value creation. Our Annual Report is supplemented by supporting documents including non-financial disclosures published as part of our annual results announcement to Bursa Malaysia. These documents are also accessible through our website.

http://www.oskgroup.com/corporate-announcements/

Scope and Boundary

This Annual Report shares material information related to the Group's business model, operating environment, material risks and opportunities, stakeholders' interests, performance, prospects and governance from 1 January 2020 until 31 December 2020, unless otherwise stated. All financial statements have been made in accordance with the requirements of the Companies Act 2016 ("CA 2016"), Malaysian Financial Reporting Standards ("MFRSs"), and the International Financial Reporting Standards ("IFRSs"). The content of this Annual Report excludes business and corporate activities conducted outside Malaysia (unless otherwise stated), as well as activities undertaken by the Group's joint venture and collaborative partners, occupants, tenants, sites, as well as third party vendors and suppliers that are beyond the direct and immediate control of OSK.

Reporting Framework

In preparing this report, we are guided by statutory and compliance requirements as stated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the CA 2016, and the Malaysian Code on Corporate Governance ("MCCG"), as well as principles and concepts under the International Integrated Reporting Framework ("<IR>").

A view showing our iconic Melbourne Square ("MSQ") integrated mixed-development project set against the breathtaking Melbourne skyline in Australia.

Our Audience

Our Annual Report and supporting publications are prepared for the benefit of information of all our stakeholders, including our Shareholders, business partners, associates and the investment community at large. It also shares relevant information about the Group to our customers, employees, regulators and the general public, who have an interest in how we generate value for them and the community.

Forward-looking Statements

This report contains forward-looking statements on the Group and its business divisions' future performance and prospects. We wish to state that these statements do not constitute financial or investment advice, in any form or manner. While such statements reflect our judgements, opinions and expectations during the preparation of this report, we wish to highlight that multiple factors including emerging risks, uncertainties and disruptions may potentially influence the intended outcome and differ materially from our expectations. These may include causes or events that could adversely affect our business and financial performance.

SUSTAINABILITY DRIVERS

The following icons indicate our key sustainability drivers.

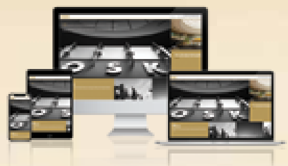
- Progressing Together
- Responsible Marketplace
- Our Biggest Asset
- Highest Ethical Standards
- Minimising Impacts

CROSS REFERENCES

This icon indicates where more information can be found in our Annual Report or Sustainability Report 2020.

This icon indicates where more information can be found online.

CORPORATE WEBSITE



For more information on OSK Group, please visit our corporate website:

http://www.oskgroup.com/

ONLINE REPORT

Kindly scan the QR Code to view our Annual Report 2020 online or log on to:

https://www.oskgroup.com/wp-content/uploads/2021/03/OSKH-AR-2020.pdf

31st Annual General Meeting

To be held fully virtual

- Date : Wednesday, 21 April 2021
- Time : 10:00 a.m.
- Broadcast Venue : Boardroom 22nd Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan
- Meeting Platform : Securities Services e-Portal https://sshsb.net.my

An evening view of MSQ in Melbourne, Australia.

** Artist's impression*

INSIDE THIS REPORT

OUR LEADERS' MESSAGE

OUR COMMITMENT TO GOOD CORPORATE GOVERNANCE

OUR FINANCIALS

EXECUTIVE CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you OSK Holdings Berhad's Annual Report for the financial year ended 31 December 2020.

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

Resilience in the Face of a Crisis

In FY2020, the world was confronted with the COVID-19 pandemic, which concurrently caused a health crisis and an economic fallout. The pandemic resulted in restricted movements which led to a sharp decline in business activity.

Across OSK Group's business, the impact of the pandemic was most acutely felt in the hospitality business. The decline in tourist arrivals to Malaysia, coupled with restrictions on domestic movement arising from the Movement Control Order ("MCO") forced us to close our doors for several months. Even after the MCO was lifted, the decline in the hospitality business was still severe.

During the MCO, our property and industries business segments also were unable to operate, resulting in our inability to generate revenues during that period. As the MCO was gradually eased, and businesses were allowed to operate, we were able to partially recover during the course of the second half of FY2020.

In the face of this unprecedented challenge, I am pleased to share with all our valued shareholders that the Group, through effective implementation of its business continuity plan, was able to remain financially healthy and operationally strong.

EXECUTIVE
CHAIRMAN'S STATEMENT

The Group's Performance

SHAREHOLDERS' FUNDS
RM5.3
billion

PROFIT BEFORE TAX
RM410.8
million

CASH POSITION
RM662.7
million

NET GEARING
0.33
times

The Group's shareholders' funds grew from RM5.0 billion at the start of 2020, to end the year at RM5.3 billion. In spite of the pandemic, we were still able to generate a profit before tax of RM410.8 million and our cash position remains strong at RM662.7 million as at the end of December 2020. Our net gearing stands at a manageable level of 0.33 times. We remain committed in managing our assets and our balance sheet in a prudent manner, in line with OSK Group's long-term view when we make business decisions.

Over the past few years, the team in OSK Group has embarked on a comprehensive plan to upgrade and strengthen our IT infrastructure. The efforts and investments put into this programme have enabled us to be prepared for any disruption to our business. From work mobility tools to the migration of our workflow systems to cloud-based solutions, our IT transformation programme has enabled our staff to work remotely from home during the MCO period.

All of our business units and support functions were able to perform their responsibilities smoothly in spite of the pandemic by adhering to all the necessary rules and regulations set by the Governments of Malaysia and Australia. Throughout the year, we did our best to ensure that the safety and wellbeing of our staff, business associates and customers were prioritised appropriately.

We shall share more details of the impact of the pandemic on our business in the Management Discussion and Analysis section of this Annual Report.

Upon deliberation on the Company's performance in the FY2020, the Board has recommended a total dividend pay-out of 4.0 sen per share for the financial year, comprising a single-tier interim dividend of 1.0 sen per share paid on 8 October 2020; and a proposed single-tier final dividend of 3.0 sen per share. The proposed final dividend is subject to shareholders' approval at the upcoming Annual General Meeting to be held on 21 April 2021.

Meaningful Growth Despite Disruptions

For the period under review, the Group's key operating metrics remained healthy, with property sales of RM636.4 million, effective unbilled sales of RM1,103.6 million, a low level of unsold property stock and no material non-performing loan ("NPL") issues in our capital financing book. Total assets of the Group grew 3% from a year ago, while our net gearing was down year-on-year by 11% through efficient means of funding and asset rationalisation.

In FY2020, our Property Division continued to be the biggest contributor to the Group's revenue largely due to the right product positioning and having cleared most of our completed stock. Sales in both Iringan Bayu in Seremban, and Bandar Puteri Jaya in Sungai Petani were brisk as we realigned our focus on landed, owner-occupier homes. Our other existing projects, notably Ryan & Miho and You City III, continued to register healthy sales, especially after the first MCO period.

Our property-construction partnership approach, which we term internally as the "Prop-Con" model has continued to be proven effective as our recently completed projects were delivered ahead of time and have garnered high Quality Assessment System in Construction ("QLASSIC") scores, a reflection of our continued efforts in delivering high quality and value-added homes to our customers.

Over in Melbourne, I am proud to inform that our flagship Melbourne Square ("MSQ") project in Australia has registered its maiden profit contribution to the Group after five years of planning, marketing and construction. Phase One of the MSQ development with 1,054 apartments have been handed over by the builder in stages since December 2019 with the final stage of handover completing in December 2020. The settlement process of the apartments has been ongoing since January 2020 in line with the handover schedules.

The mixed integrated development's 3,700m^2 public park, which take up almost 20% of the total land area, will be a new focal point for the residents and the public to engage with nature in one of Melbourne's most densely

EXECUTIVE
CHAIRMAN'S STATEMENT

populated and park-deprived areas. This is once again a testament of our efforts in conserving our natural environment, while providing value for our customers.

With the completion of Phase One of the MSQ development, the Group expects MSQ to contribute positively to our bottom line upon successful settlement by existing and new purchasers in 2021.

Just as the year drew to a close, we signed a sales and purchase agreement to divest the retail podium of Melbourne Square for AUD$70.0 million (equivalent to RM216.3 million) to Primewest, who purchased it on behalf of Singapore's GIC (Government of Singapore Investment Corporation), a signal of the positive interest in the community that we are building at MSQ.

Woolworths supermarket in MSQ.

Meanwhile, our capital financing business has done well in FY2020. We have expanded our capital financing business to Australia through a newly set up entity in Melbourne. Another good news is the extension of our financial services in the form of a proprietary fintech platform to serve the Malaysian gig economy, with the formation of a new joint venture partnership with Singapore-based Lyte Ventures Pte Ltd.

We expect both new ventures to grow further in the coming years by diversifying into other alternate financing businesses along with fintech enablers, paving the way for the Group to become a non-bank financial institution.

Going forward, technology will increasingly inspire the delivery of our products and services as we innovate the way we conduct our business in the post COVID-19 age.

Property Division

1,054
apartment in Phase One development handed over:

Separable portions One and Four:
450 units in December 2019

Separable portions Two and Five:
402 units in June 2020

Separable portion Three:
202 units in December 2020

Capital Financing Division

We have **expanded** our capital financing business to Australia through a newly set up entity in Melbourne

Strong Industry Recognition

Yet another positive outcome of the year, the Group continued to be accorded accolades for excellence in our property development business and contribution to the community. For the first time, OSK Property ("OSKP") notched up two places to be ranked 12th in The Edge Malaysia Top Property Developers Awards ("TPDA") 2020 as a wrap up to the challenging year following its 14th-place in 2019, as we remain as one of the top 30 property developers in the country.

Besides scoring seven awards in the first virtual awards ceremony of the StarProperty Awards 2020: Real Estate Developer, OSKP emerged as one of the winners in the Community CSR Award in the iProperty Development Excellence Awards 2020 ("iDEA") and the Sin Chew Business Excellence Awards 2020 – Property & CSR Excellence Awards in recognition of its exemplary leadership during the COVID-19 crisis.

New Sustainability Journey Ahead

The year 2020 saw a heightened awareness of the importance of the Environmental, Social and Governance ("ESG") impact of businesses, and we see the need to play our role as a responsible citizen of the communities in which we operate.

Our ESG initiatives will be parked under our new sustainability blueprint, known as "OSK, Growing Together" that will outline our key goals and ESG aspirations in the coming years. The blueprint will include our expected contributions to realising the global United Nations Sustainable Development Goals (Agenda 2030).

As we move ahead, the Group is incorporating ESG into the way we conduct our business, so that the ESG requirements do not remain a detached concept, but rather an inbuilt mindset that all of us at OSK adopt when we go about our daily work.

EXECUTIVE **CHAIRMAN'S STATEMENT**

Awards and Recognition

Our first virtual awards ceremony of the StarProperty Awards 2020: Real Estate Developer, OSKP emerged as one of the winners in the Community CSR Award in the iProperty Development Excellence Awards 2020 ("iDEA") and the Sin Chew Business Excellence Awards 2020 – Property & CSR Excellence Awards in recognition of its exemplary leadership during the COVID-19 crisis.

OSK Foundation

We contributed **RM500,000** to The Edge COVID-19 Equipment Fund to purchase much needed medical equipment

- Medical Grade Personal Protective Suits
- Masks
- Gloves
- Oxygen Concentrators
- Face Shields
- Ventilators

Doing our part as a responsible corporate citizen, the Group's philanthropy arm, OSK Foundation ("OSKF") had a busy year assisting vulnerable communities affected by the pandemic.

In a show of unity with Malaysians and as an expression of gratitude and support towards the commitment of our frontline healthcare workers in fighting COVID-19, OSKF contributed RM500,000 to The Edge COVID-19 Equipment Fund that was initiated and managed by The Edge Media Group. All donated funds were used to purchase much needed medical equipment such as medical grade personal protective suits, masks, gloves, oxygen concentrators, face shields and ventilators to be distributed to high-needs hospitals that were treating positive COVID-19 patients.

It is heart-warming to see that we have been able to make a difference in areas that matters during this challenging time including ensuring undisrupted learning among the underserved young children at Dignity for Children, helping the Alzheimer's Disease Foundation Malaysia's fundraising efforts to keep them going, and improving the earning potential of women from lower income groups through entrepreneurial workshops.

Classroom learning at Dignity for Children.

** Picture was taken prior to MCO*

We endeavour to implement more ESG-oriented initiatives in the coming year, driven by our commitment to take our sustainability commitments to a higher level as we progress ahead.

For further details on the Group's sustainability efforts, please refer to our Sustainability Statement on pages 76 to 96 of this Annual Report or our Sustainability Report 2020.

While we have experienced considerable shocks before, never have we seen something that impacts all countries so profoundly at the same time as the COVID-19 pandemic. I wish to reassure you that the long-term vision for OSK Group is still intact.

I still hold firm to the belief that this coming decade will be a transformational one for OSK Group. Though the start of the decade saw significant challenges as a result of the pandemic, I believe that in future, we will look back at this crisis as a hurdle that we had to cross along the long journey towards our intended destination, and one that helped us get better and stronger.

In FY2020, we were proud to celebrate our 55th anniversary of our involvement in the property development industry in Malaysia.

A Note of Appreciation

On behalf of the Board, I wish to express our deep appreciation to all frontliners, including all health professionals, public health officials, and those who have made a difference in how COVID-19 was managed in Malaysia. The fight against COVID-19 is not over, and we are indeed fortunate to have the strong leadership of the Government in leading this fight.

I also wish to express my gratitude to all OSKers for their commitment and dedication in taking OSK Group to where we are today. My appreciation also goes to our shareholders, customers, regulators and Government authorities, business partners and bankers, as well as organisations with whom we collaborate with.

Barring unforeseen circumstances, the Board remains optimistic on our prospects moving forward supported by the Group's sustainable financial and business expansion strategies.

The Group looks forward to a new chapter in 2021, underpinned by growth, recovery and sustainability.

Stay safe and stay healthy.

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

2020 AT A

Achieved a Total Revenue of
RM1,085.5 million

our balance sheet continues to be robust and resilient amidst the pandemic that hit the world in 2020.

Shareholders' Funds
RM5.3 billion

equivalent to a net asset per share of RM2.57.

Sustained Strong Profitability with Profit Before Tax of
RM410.8 million

our businesses stood together as a team and did our best to minimise the adverse impact of the COVID-19 pandemic on the Group.

Reduced Net Gearing to
0.33 times

with a decrease in net debts by RM53.5 million from a year ago.

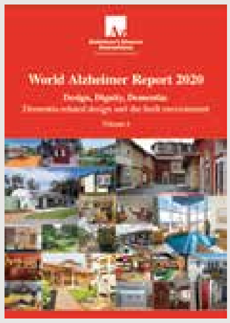
Prioritised the Health & Safety of Our Employees, Customers, Associates and Tenants
amidst the COVID-19 pandemic.

OSK Foundation disbursed a total of
RM3.9 million
in community investments since May 2015

including contributions to the fight against COVID-19 and to help those impacted by crisis.

Introduced OSK's new sustainability blueprint "OSK, Growing Together"
to serve as the main pillar and foundation of the Group's sustainability efforts in the coming years.

Atria Recognised Globally
as an Alzheimer's-friendly Mall with its inclusion in the World Alzheimer Report 2020 'Design, dignity and dementia; dementia-related design and the built environment'.



Maintained Top 100 Ranking in Corporate Governance
in the Malaysian Shareholders Watch Group's ("MSWG") List of Top 100 Companies for CG Disclosure and List of Top 100 Companies for Overall CG and Performance.

Launched a New Biodiversity Landmark in Seremban
with the opening of the 22-acre Wetland Park in Iringan Bayu, Negeri Sembilan.

Upheld Quality Excellence in Our Products
with the achievement of QLASSIC Quality Scores of 77% and 75% for Iringan Bayu Phase 2C and 2D, respectively.

Forged Stronger Engagement with our Employees
evidenced by a higher Employee Engagement Score of 78.2% in 2020 (75% in 2019).

GLANCE

Awards & Accolades

In 2020, we were delighted and honoured to be recognised for our ongoing commitment to excellence in our products and services. Here is the list of accolades and awards that we received during the year:

OSK Property

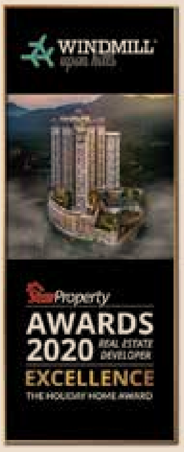
StarProperty Awards 2020

Corporate Awards

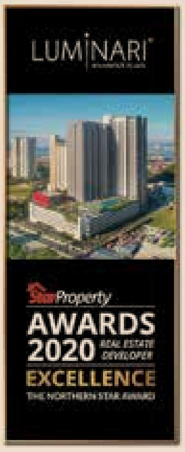
StarProperty All-Stars Award
Best Overall Champion

StarProperty
Consumers' Choice Award

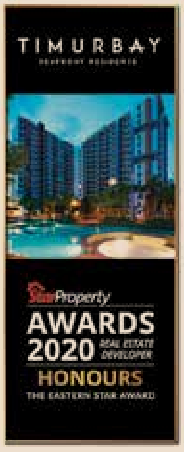
Project Awards



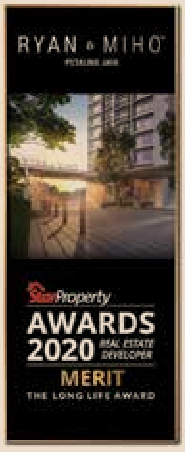
Windmill Upon Hills
The Holiday Home Award



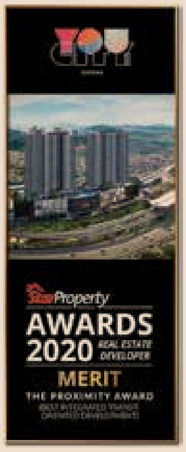
Luminari
The Northern Star Award



Timurbay
The Eastern Star Award Merit



Ryan & Miho
The Long Life Award



You City III
The Proximity Award

The Edge Property Excellence Awards 2020
- Top Property Developers Awards 2020 (Ranked 12th) (2019: Ranked 14th)

iProperty Development Excellence Awards 2020
- Community CSR Award

Sin Chew Business Excellence Awards 2020
- OSK Property (Property Excellence Awards & CSR Excellence Awards)

Swiss-Garden International

Swiss-Garden Hotel & Residences Genting Highlands
- Galatian Signature Award: Signature Mountain View Hotel and Regional Winner in Asia
- Traveloka Certificate of Best Travellers' Experience
- Loved by Guests Awards 2020 by Hotels.com

Swiss-Garden Beach Resort Kuantan
- TripAdvisor 2020 Travellers' Choice Award

Swiss-Inn Johor Bahru
- Customer Review Award 2020 by Agoda
- Traveller Review Awards 2020 by Booking.com
- Loved by Guests Awards 2020 by Hotels.com

Swiss-Garden Hotel Bukit Bintang, Kuala Lumpur
- Traveller Review Awards 2020 by Booking.com

SGI Vacation Club

Customer Review Award 2020
- 8.8 Average Score for SGI Vacation Club Melaka by Agoda

Traveller Review Awards 2020
- 9.2 out of 10 for SGI Vacation Club Hotel by Booking.com

WHO
WE ARE

Listed on the Main Board of Bursa Malaysia, OSK Holdings Berhad is a conglomerate with diversified business interests in five business sectors with a presence in Malaysia and Australia.

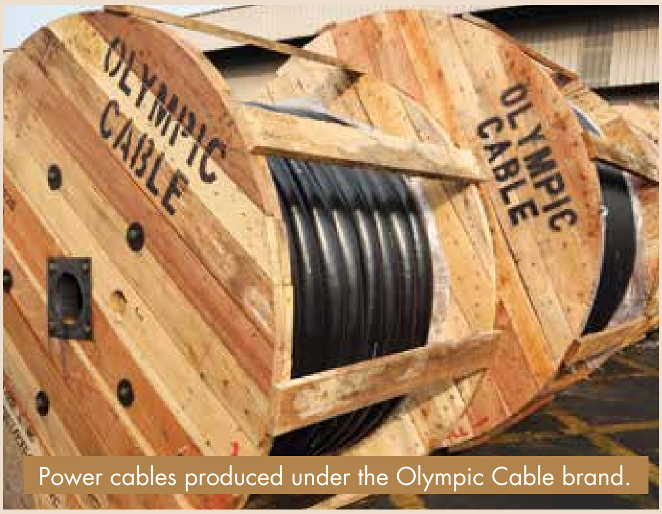

You City III in Cheras, Kuala Lumpur.

Property Development and Investment


Financial Services


Industries

Industrialised Building System ("IBS") pre-cast wall panels manufactured under the Acotec brand.



Power cables produced under the Olympic Cable brand.

WHO
WE ARE

Iringan Bayu in Seremban, Negeri Sembilan.

Hotels and resorts operating under the Swiss-Garden International brand.


Vacation club operating under the SGI Vacation Club brand.

In OSK, we differentiate ourselves by being at the forefront of innovation, and delivering products and services that are of exceptional quality and value for the community. With almost six decades of illustrious track record behind us, we are forging ahead in carving new niche offerings across all business sectors that we are engaged in, guided by our fundamental philosophy of being a long-term business builder.

Throughout the years, our businesses have established a strong presence throughout Malaysia, especially in the Klang Valley and in the states of Penang, Pahang, Melaka, Perak, Kedah and Johor. Beyond our shores, we have built a strong base in Melbourne, Australia, where our flagship integrated mixed development, Melbourne Square, and our new capital financing business are located.

Guided by our corporate values, we consciously strive towards sustainable growth and adopt a balanced approach towards our priorities, our people, and our planet. We are supported by a team of highly dedicated staff of 1,339 OSKers (pronounced 'Oscars') (as of end December 2020), who share the same vision and mission to deliver Shared Growth and Prosperity for our community.

Moving forward, the Group is now focused on unlocking current and future values for our stakeholders through measurable efforts in nurturing inclusive and sustainable communities; caring for the environment; and ensuring fair, safe and transparent practices across the Group. At OSK, building sustainable futures is a journey that is driven by our commitment to bring positive change to all fellow OSKers and the community.

TOTAL EMPLOYEES
1,339

TOTAL REVENUE
RM 1,085.5 million

CORE PBT
RM 449.6 million

TOTAL ASSETS
RM 8,642.7 million

NET GEARING
0.33 times

VISION, MISSION AND VALUES

VISION

At OSK, our vision is to be a long-term business builder that delivers superior value to all our internal and external stakeholders.

MISSION

Shareholders
We seek to create long-term value for our shareholders through delivering strong and sustainable returns.

Business Units
We help our businesses deliver unique and high-quality products and services to our customers through the expertise of our business leaders, our willingness to invest in talent, our efficient infrastructure and our effective operational processes.

Business Partners
We create and nurture mutually rewarding long-term partnerships with our suppliers, consultants, business associates and customers.

Employees
We aim to be an employer of choice through maintaining a good work culture and adopting a genuine interest in the long-term career development of our employees.

Community
We aim to enrich the lives of the communities in which we operate.

VALUES

We aim to achieve our vision by embracing these values in our daily work.

Excellence
We make decisions and formulate strategies based on objective facts. We try our best to have a thorough understanding of our businesses and the markets in which we operate so that we make decisions that are well thought-through. We adopt high standards in all that we do so that our businesses consistently deliver high quality products and services.

Forward Thinking
We adopt a long-term view of our businesses and the markets that we operate in, and we are conscious of the long-term effects of the decisions we make.

Humility & Respect
In all our internal and external dealings, we seek to create an environment of mutual respect through demonstrating humility, appreciation and cooperation.

Integrity
We are dedicated to building strong relationships that are mutually beneficial to all our stakeholders and us. Even in the most challenging situations, we behave in a professional and ethical manner.

People Driven
Our people are the ones who power the organisation. As such, we try our best to recruit, groom and retain people who have good character, are committed to the organisation and are highly skilled in their areas of expertise.

WHAT
WE DO

OSK Group's business is driven by five core segments, namely in:

- **Property Development and Investment**
- **Construction**
- **Financial Services**
- **Industries**
- **Hospitality**

Iringan Bayu showroom in Seremban, Negeri Sembilan.

Completed Properties
40,000
homes

Total GDV Pipeline
RM13.4
billion in Malaysia and Australia*

7
Awards
in StarProperty Awards 2020

Property Investment & Management Portfolio
1.2
million sq ft of net lettable area

- Atria Shopping Gallery
- Faber Towers
- Plaza OSK

Ranked
12th
in The Edge Malaysia Top Property Developers' Awards 2020

Precast IBS Wall Panels Manufacturer
3
factories

Order Book
1.5
million m²

Leading Malaysian Cable Producer
1
factory

25,184km
total production in FY2020

Experienced Builder
"Class A"
and
"G7"
contractor

Hotels Owner and Manager
with
1,900
keys

1
golf club

Strategic Equity Stake
10.13%
in RHB Bank Berhad

Vacation Club
5
staycation destinations in Malaysia

Access to over
3,000
hotels and resorts worldwide through affiliate partner

* *Representing OSK's effective share in the MSQ project.*

OUR KEY **STRENGTHS**

1 Strong financial track record with a resilience balance sheet and healthy gearing level to enable the Group to remain financially resilient and nimble to capture new opportunities as they arise.

2 High expertise and well experienced management team to deliver strong and sustainable value for the Group.

3 Strong governance framework with well-established internal controls and careful risk planning to ensure high levels of accountability and transparency for all stakeholders.

4 Leading property developer in Malaysia with nominal unsold completed units and supported by a prudent expansion strategy.

5 Strong experience and long track record in financial services.

6 Incorporates Environment, Social and Governance ("ESG") considerations in our daily operations and decision-making, and have in place a long-term ESG plan to contribute towards realising global sustainability agenda.

- Total Shareholders' Funds **RM5,294.4** million
- Total Assets **RM8,642.7** million
- Healthy Net Gearing Ratio **0.33** times
- Good Corporate Governance **Top 100 in CG** by MSWG
- Sustainability Blueprint **"OSK, Growing Together"**
- Total Undeveloped Landbank **1,387** acres in Malaysia and Australia
- Ongoing Property Development Projects **5**
- Total Unbilled Sales **RM1.1** billion
- Healthy Capital Financing Portfolio **RM822.9 million** Non-Performing Loan Ratio 1.9%
- **Stable Recurring Income** from Equity and Property Investments
- Established **Hotels Owner and Manager**
- Leading Vacation Club Operator in Malaysia with **10,274 members**
- A **Leading Producer of Power Cables**
- A **Leading Manufacturer of IBS Precast Wall Panels**
- **Effective COVID-19 Response** to Protect Our Employees, Customers and Business Partners

OUR KEY **STRENGTHS**

Our People

Workforce by Gender

1,339

Male
795
59%

Female
544
41%

Workforce by Age Group in 2020

Below 30 years old — 29%

30 - <40 years old — 34%

40 - <50 years old — 24%

Above 50 years old — 13%

Workforce by Ethnicity

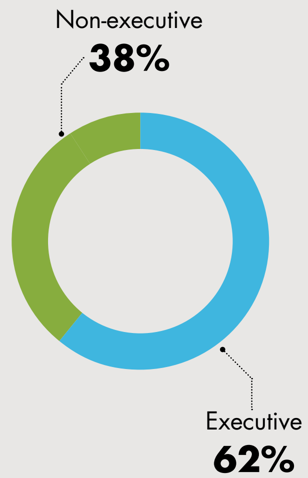
53% Malay

31% Chinese

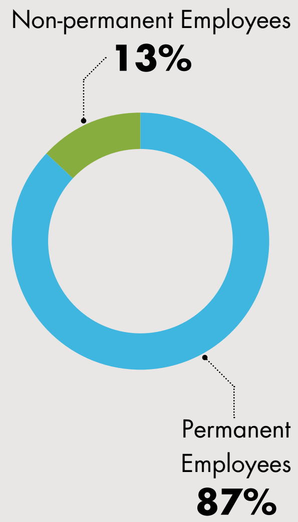
7% Indian

9% Others

Workforce by Employment Type



Workforce by Employment Contract

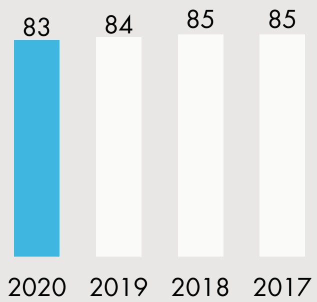


Training Satisfaction Score

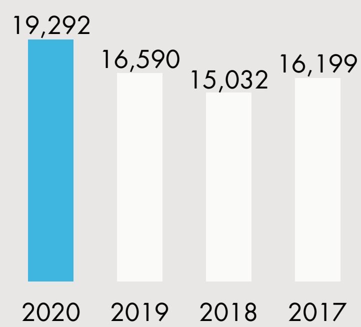
83% 2020

84% 2019

Employees' Training Satisfaction Score (%)



Total Training Hours



VALUE CREATION ENGINE

OSK is committed to building sustainable long-term businesses, while continuously spearheading positive impact for our customers, our talents, the communities where we operate in, the marketplace and the environment. The following value creation diagram elaborates how we allocate and utilise various capital inputs to create sustainable value over time. We recognise that successful organisations depend not only on financial capital, but a combination of quantitative and qualitative capitals to create lasting value and impact for our stakeholders.

VALUE ADDED BY OSK HOLDINGS BERHAD

Resources We Rely On

6 CAPITALS

INPUTS

Financial Capital

Our funding and financial resources needed to support our business operations and expansion.

- Total Shareholders' Funds: **RM5.3 billion**
- Total Assets: **RM8.6 billion**
- Net Gearing: **0.33 times**

Human Capital

Our biggest asset is our people who represent the Group's collective knowledge, experience, skills, competencies, drive and the ability to innovate to meet our business goals and objectives.

- Total Employees in OSK Group: **1,339**
- Total Training Hours: **19,292**
- Talent Development: Young Leaders Programme, Management Graduate Programme, Mentoring Programme, Group-wide succession planning

Employee Benefits:

- Employee Wellness (dental, optical, health checks, traditional medicine, supplements, etc.)
- Outpatient medical treatment
- Hospitalisation and surgery
- Personal accident
- Work-life balance (OSK Wellness and Chillax Zone)

Manufactured Capital

Our physical assets including real estate properties, machineries, appliances, equipment and fixtures that provide the operational needs of our businesses.

PROPERTY DEVELOPMENT AND INVESTMENT:

Property Development Division

- **11** sales galleries
- **Five** ongoing projects

Property Investment Division

- **Three** investment assets (Plaza OSK, Atria Shopping Gallery and Faber Towers)

CONSTRUCTION:

- "Class A" and "G7" contractor recognised by the Construction Industry Development Board

FINANCIAL SERVICES:

Capital Financing Division

- Capital financing portfolio: **RM822.9 million**

Equity Investment

- Strategic equity stake of **10.13%** in RHB Bank Berhad

INDUSTRIES:

Cables Division

- **One** factory

IBS Division

- **Three** factories

HOSPITALITY:

Hotels and Resorts Division

- **Six** hotels, inclusive of self-owned and managed assets, with 1,900 keys
- **One** golf club

Vacation Club Division

- **Five** vacation destinations in Malaysia
- Access to over **3,000** hotels and resorts worldwide through affiliate partner

Intellectual Capital

Intangible assets including our branding, reputation, industry know-how, market insights, research and development, as well as our Group's vision, mission, values and culture that create a competitive advantage for the business.

- Vision, Mission and Group Core Values
- Business Expansion Strategy
- Group-wide Digitalisation
- Process Optimisation and Cost Efficiency
- Governance Framework and Policies
- Audit and Enterprise Risk Management
- Sustainability Blueprint "OSK, Growing Together"

Social and Relationship Capital

Synergies formed through strategic partnerships, community goodwill, social license and engagements that we carry out with all our stakeholders.

- Active CSR and Social Philanthropy by OSK Foundation
- Establishing Long-Term Strategic Partnerships and Collaborations
- Ensuring Excellence and Providing Value-Added Products and Service for our Customers
- Engaging All our Stakeholders

Natural Capital

Natural resources consumed by the Group in the course of our daily operations including land, clean water, air, renewable and non-renewable energy, as well as natural habitat and ecosystems that form our living environment.

ELECTRICITY EXPENSE:

- Plaza OSK: **RM127,971**

WATER CONSUMPTION:

- Plaza OSK: **28,351m³**

PAPER CONSUMPTION:

- A4-sized paper: **1.521 million sheets**

VALUE CREATION
ENGINE

VALUE CREATED FOR OSK HOLDINGS BERHAD AND ITS STAKEHOLDERS

OUTCOME

Outcome	Value We Create
ECONOMIC	• Revenue: **RM1,085.5 million** • Profit Before Tax: **RM410.8 million** • Shareholders' Fund: **RM5.3 billion** • Dividend Per Share: **4.0 sen** • Undeveloped landbank: **1,387 acres** in Malaysia and Australia • Total Unbilled Sales: **RM1.1 billion** • Total Estimated GDV (project pipeline): **RM13.4 billion** in Malaysia and Australia (representing OSK's effective share in the MSQ project).
ENVIRONMENT	• "OSK, Growing Together" Sustainability Blueprint • Responsible Consumption: 3R Sustainability Campaign • Charity Recycling Campaign • Installation of energy-saving LED lights in assets and office buildings • Our property development projects have garnered multiple awards showcasing environment consciousness to support the well-being of our customers and the community. • Launched the 22-acre Wetland Park in Iringan Bayu, Negeri Sembilan, as part of efforts to promote biodiversity and environmental conservation.

EMPLOYEES	• Employees Satisfaction Score: **78.2%**
	• Total employee compensation: **RM122.5 million**
	• Total training hours: **19,292**
	• Diverse gender representation:
	  • Female in Board of Directors: **25%**
	  • Female in Senior Management: **33%**
	  • Female across the Group: **41%**
	• Diverse ethic representation:
	  • Malay: **53%**
	  • Chinese: **31%**
	  • Indian: **7%**
	  • Others: **9%**

CUSTOMERS	• Customer Satisfaction Scores:
	  • OSK Property: **4.06/5.00**
	  • Atria: **4.08/5.00**
	  • Olympic Cables: **91%** (dealers), **90%** (contractors), **93%** (TNB)
	  • Faber Towers: **3.85/5.00**
	  • Swiss-Garden International: **3.80/5.00**
	  • SGI Vacation Club: **84%** (vacation survey), **94%** (call experience survey)
	• QLASSIC scores achieved by OSK Property:
	  • Luminari: **80%**
	  • Windmill Upon Hills: **80%**
	  • TimurBay: **76%**
	  • Iringan Bayu: **77%** (Phase 2C), **75%** (Phase 2D)

COMMUNITY	• Total donations by OSK Foundation in FY2020: **RM1.2 million** • Total donations since May 2015: **RM3.9 million** • OSK Foundation contributed **RM500,000** to The Edge COVID-19 Equipment Fund • Supported COVID-19 frontliners and relief for vulnerable B40 communities (hospitals, elderly home, learning equipment for upper primary and secondary schoolchildren) • Raised RM40,000 for Alzheimer's Disease Foundation Malaysia • Supported underserved women (Mermaid's Market & entrepreneurial workshops) • Ongoing initiatives in Education and Community Development

VALUE CREATION **ENGINE**

Moving Forward with our

VISION

At OSK, our vision is to be a long-term business builder that delivers superior value to all our internal and external stakeholders.

Progressing Together under our core

VALUES

- High Levels of Integrity
- Excellence
- Humility and Respect
- Forward Thinking
- People Driven

Strategic Goal

- To be a Top 10 property developer and be among the key players in the non-bank financial services and manufacturing sector (cables and IBS) in Malaysia.
- Ensure strong and sustainable value creation for all our stakeholders.·

Focus Areas/ Enablers

- Strategic business expansion and partnerships
- Prudent financial management and cost-effective funding
- Explore new products and growth areas
- Leverage digitalisation and technology
- Sustainability focused

Key Themes Underlying Our Operating Environment

- COVID-19 Crisis
- Change in Supply-demand Fundamentals
- Competitive Market
- Fast-paced Technology Progression
- Urbanisation
- Evolving Consumer Dynamics

Five Most Material Matters

- Ethics and Integrity
- Innovation
- Quality Products and Services
- Talent Management
- Health and Safety

Key Risks

- Market Risk
- Credit Risk
- Competition Risk
- Operational Risk
- Workplace Health and Safety Risk

Property Development & Construction

- Townships
- High-rise developments
- Mixed and integrated developments
- Transit-oriented developments
- Lifestyle developments

Property Investment

- Retail
- Commercial

Total lettable space **1.2 million sq. ft.**

Industries – Cables

- A leading power cables producer in Malaysia with established clientele in Malaysia's key economic sectors.
- Supplied to notable development projects in the country including Kuala Lumpur International Airport, Damansara City, The Intermark, Westport, Malaysia International Trade and Exhibition Centre, Nu Sentral, Mitsui Outlet Park and the Klang-Valley Mass Rapid Transit project.

Industries – IBS

- Acotec manufactures precast IBS concrete wall panels to enable a hassle-free, efficient and cost-effective construction process.
- IBS construction method is increasingly the preferred choice among developers for its versatility, speed, minimal wastage and environmentally friendly.
- Acotec precast wall panels are used in numerous residential, public facilities and commercial projects in Singapore and Malaysia.
- To-date, Acotec Wall Panels have been used in numerous residences, including affordable housing projects in Malaysia.

Financial Services – Capital Financing

- OSK Capital, the financial services arm of OSK Group, is an established capital financing provider for businesses with a loan portfolio of **RM822.9 million**.

Financial Services – Equity Investment

- OSK owns a **10.13%** stake in RHB Bank Berhad, delivering sustainable equity returns to the Group.

Hospitality – Hotels and Resorts

- The Group's hospitality arm owns and manages six hotels located in Federal Territory Kuala Lumpur, Perak, Pahang, Melaka and Johor with a total room inventory of 1,900 keys.
- Swiss-Garden International also own and manage an **18-hole par-72 championship** buggy-tracked course in Perak.

Hospitality – Vacation Club

- SGI Vacation Club is the leading vacation club operator in Malaysia and offers 5 staycation destinations in Malaysia and access to over **3,000 hotels** and resorts worldwide through its affiliate partner.

WE BELIEVE THAT GOOD CORPORATE GOVERNANCE PROVIDES A SOLID FOUNDATION TOWARDS ACHIEVING OUR STRATEGIC OBJECTIVES AND ADDING VALUE FOR OUR STAKEHOLDERS

VALUE CREATION
ENGINE

VALUE CREATED FOR OSK HOLDINGS BERHAD AND ITS STAKEHOLDERS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

Ong Ju Yan
Group Managing Director

Ong Ju Xing
Deputy Group Managing Director

Dato' Saiful Bahri bin Zainuddin
Executive Director

Dato' Thanarajasingam Subramaniam
Senior Independent Non-Executive Director

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir
Independent Non-Executive Director

Leong Keng Yuen
Independent Non-Executive Director

Ong Yee Ching
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Leong Keng Yuen
Chairman

Dato' Thanarajasingam Subramaniam

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir

RISK MANAGEMENT COMMITTEE

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir
Chairman

Dato' Thanarajasingam Subramaniam

Ong Yee Ching

NOMINATION AND REMUNERATION COMMITTEE

Dato' Thanarajasingam Subramaniam
Chairman

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir

Leong Keng Yuen

KEY SENIOR MANAGEMENT

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

Ong Ju Yan
Group Managing Director

Ong Ju Xing
Deputy Group Managing Director

Dato' Saiful Bahri bin Zainuddin
Executive Director

Puan Sri Khor Chai Moi
Executive Director, PJ Development Holdings Berhad

Ong Ghee Bin
Chief Executive Officer, Property Development

Ng Lee Huat, John
Chief Operating Officer, Construction

Yeoh Peik Hong, Daidre
Chief Operating Officer, OSK Supplies

Yeat Siew Hong
Chief Executive Officer, Cables

Tan Kheak Chun
Chief Executive Officer, Industrialised Building System

Ting Chun Hong, Ivan
Chief Executive Officer, Vacation Club,
Chief Operating Officer, SGI & Hotels Property

Chow Hock Kin
Chief Executive Officer, Capital Financing

Ng Lai Ping
Group Chief Financial Officer

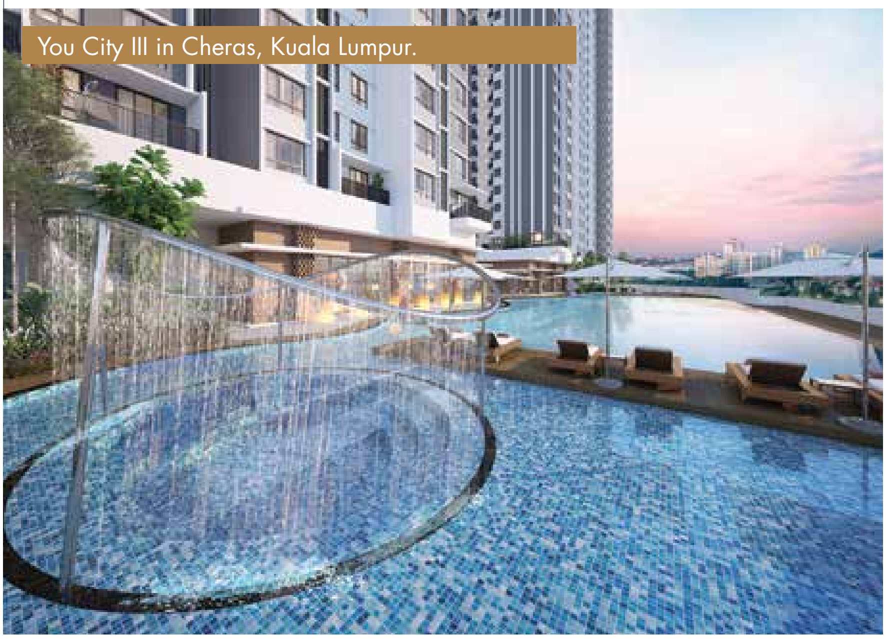
Tio Jun Lim
Director/ Head, Corporate Strategy

Mak Pick Wan, Chris
Chief Information Officer

Young Tat Yong
Chief Internal Auditor

Wang Choon Hui, Debbie
Chief Human Resources Officer

Woo Lai Mei
Head, Group Legal


You City III in Cheras, Kuala Lumpur.

CORPORATE **INFORMATION**

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC No.: 201908002648)

Chin Mun Yee
(MAICSA 7019243)
(SSM PC No.: 201908002785)

SOLICITORS

- Chooi & Company + Cheang & Ariff
- Lee Hishammuddin Allen & Gledhill
- Raslan Loong, Shen & Eow

STOCK EXCHANGE LISTING

Main Market,
Bursa Malaysia Securities Berhad

Sector	:	Property
Stock Name	:	OSK
Stock Code	:	5053
ISIN Code	:	MYL5053OO003

CORPORATE WEBSITE

http://www.oskgroup.com/

AUDITORS

BDO PLT
(LLP0018825-LCA & AF 0206)
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

Tel No.	:	(603) 2084 9000
Fax No.	:	(603) 2094 9940/ (603) 2095 0292

Plaza OSK in Kuala Lumpur.

PRINCIPAL BANKERS

- Bangkok Bank Berhad
- Bank of China (Malaysia) Berhad
- HSBC Bank Malaysia Berhad
- Industrial and Commercial Bank of China (Malaysia) Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad
- Public Bank Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

REGISTERED OFFICE

21st Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan

Tel No.	:	(603) 2177 1999
Fax No.	:	(603) 2026 6331

PRINCIPAL BUSINESS ADDRESS

7th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan

Tel No.	:	(603) 2177 1999
Fax No.	:	(603) 2166 6220

CORPORATE **INFORMATION**

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT

PROPERTY SEGMENT

Sunrise view of MSQ in Melbourne, Australia.

PROPERTY DEVELOPMENT

OSK Property Holdings Berhad
Level 9, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1668
Fax No. : (603) 2177 1686
www.oskproperty.com.my

Yarra Park City Pty Ltd
Level 2, 99 Queensbridge St
Melbourne, VIC 3006
Australia
Tel No. : (61) 3 9686 5566
Fax No. : (61) 3 9686 5544
www.melbournesquare.com.au

SALES GALLERIES

OSK Property Sales Gallery
Lot G32 & 33, Ground Floor
Atria Shopping Gallery
Jalan SS22/23, Damansara Jaya
47400 Petaling Jaya
Selangor
Tel No. : (603) 7733 1231

Harbour Place Sales Gallery
Lot 2449 & 2450
Jalan Chain Ferry
Seberang Perai Utara
12100 Butterworth
Penang
Tel No. : (604) 332 1188
Fax No. : (604) 332 3128
www.luminari.com.my

LEA By the Hills Sales Gallery
G4, G5, G6, Nadayu 63,
Persiaran Nadayu 1,
Taman Nadayu Melawati,
53100, Hulu Kelang,
Selangor
Tel No. : (6012) 721 3497
www.leabythehills.com.my

Yarra Park Sales Gallery
No. 1A, Jalan Puteri Heights 1/1
Bandar Puteri Jaya
08000 Sungai Petani
Kedah
Tel No. : (604) 425 1818
Fax No. : (604) 425 8030
www.yarrapark.com.my

Iringan Bayu Show Village
Persiaran Iringan Bayu 3
Taman Iringan Bayu
70300 Seremban
Negeri Sembilan
Tel No. : (606) 630 4656
www.iringanbayu.com.my

Melbourne Square Display Gallery
Corner Power & Kavanagh Streets
Southbank, VIC 3006
Australia
www.melbournesquare.com.au

Ryan & Miho Sales Gallery
9-P1 Block A, Jaya One
72A Jalan Universiti
46200 Petaling Jaya
Selangor
Tel No. : (603) 7955 9888
www.ryanmiho.com.my

Shorea Park, Puchong
2, Jalan Meranti Puchong
Taman Meranti Permai
47100 Puchong
Selangor
Tel No. : (6018) 311 8880
www.shoreapark.com.my

You City III Sales Gallery
VG-01 & VG-02
Jalan You City, You City Cheras
43200 Cheras, Selangor
Tel No. : (603) 9081 9900
www.youcity3.com

PROPERTY INVESTMENT AND MANAGEMENT

Atria Shopping Gallery
Jalan SS 22/23
Damansara Jaya
47400 Petaling Jaya, Selangor
Tel No. : (603) 7733 5156
Fax No. : (603) 7733 5157
www.atria.com.my
www.facebook.com/atriadj
www.instagram.com/atriadj

Faber Towers
Lot 201C, Level 2, Faber Towers
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur
Tel No. : (603) 7980 1311
Fax No. : (603) 7980 1310
www.fabertowers.com.my

Plaza OSK
Level 17, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1968
Fax No. : (603) 2177 1963
www.oskgroup.com

CORPORATE **INFORMATION**

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D)

CONSTRUCTION SEGMENT

OSK Construction Sdn. Bhd.
Level 12, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1668
Fax No. : (603) 2078 6688
www.oskconstruction.com


You City III project under construction.

INDUSTRIES SEGMENT

CABLES

Olympic Cable Company Sdn. Bhd.
Lot PT 2126-2131, Jalan PK1
Taman Perindustrian Krubong
75250 Melaka
Tel No. : (606) 337 3088/3090
Fax No. : (606) 337 3099
www.olympic-cable.com.my

Marketing & Sales Office
Olympic Cable Company Sdn. Bhd.
Level 16, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1698
Fax No. : (603) 2177 1693


Aerial view of Olympic Cables factory in Krubong, Melaka.

INDUSTRIALISED BUILDING SYSTEM

Acotec Sdn. Bhd.
Level 16, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1838
Fax No. : (603) 2177 1833
www.acotec.com.my

Sales Office
Northern Region
No. 2746 (1st Floor)
Jalan Chain Ferry
Taman Inderawasih
13600 Prai, Penang
Tel No. : (604) 398 9733
Fax No. : (604) 398 1733

Sales Office
Southern Region
No. 02-11, Blok 4
Danga Bay, Jalan Skudai
80200 Johor Bahru
Johor
Tel No. : (607) 244 2447
Fax No. : (607) 244 6588

Factory
Central Region
Lot C38, Block C
Kawasan Nilai Industrial
71800 Nilai, Negeri Sembilan

Factory
Northern Region
76 Km, Butterworth-Ipoh Main Trunk Road
P.O.Box 9, Taiping
Perak 34007

Factory
Southern Region
Lot PTB 12090-1298
Jalan Tun Mutahir 5
Kawasan Perindustrial
Bandar Tenggara
81000 Kulai, Johor

CORPORATE **INFORMATION**

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D)

HOSPITALITY SEGMENT

HOTELS AND RESORTS

Swiss-Garden International Hotels, Resorts and Inns
Level 14, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 9078 2688
www.swissgarden.com

Swiss-Garden Hotel & Residences, Genting Highlands
Windmill Upon Hills
Genting Permai
69000 Genting Highlands
Pahang
Tel No. : (603) 9213 0777

Swiss-Garden Beach Resort Kuantan
2656-2657, Mukim Sungai Karang
Balok Beach
26100 Beserah, Kuantan
Pahang
Tel No. : (609) 548 8288
: (603) 9078 2633
KL Sales Office

Swiss-Garden Hotel Bukit Bintang Kuala Lumpur
117, Jalan Pudu
55100 Kuala Lumpur
Tel No. : (603) 2141 3333

Swiss-Garden Hotel Melaka
T2, The Shore @ Melaka River
Jalan Persisiran Bunga Raya
75300 Melaka Tengah
Melaka
Tel No. : (606) 288 3131
Fax No. : (606) 288 3377

Swiss-Inn Johor Bahru
(under renovation)
Lot 512, Jalan Syed Mohd Mufti
80000 Johor Bahru
Johor
Tel No. : (607) 218 3333
Fax No. : (607) 218 3334

The Alcove in Swiss-Garden Hotel & Residences Genting Highlands.

Swiss-Garden Beach Resort Damai Laut
(under renovation)
Persiaran Swiss-Garden
Jalan Damai Laut
Off Jalan Teluk Senangin
32200 Lumut, Perak
Tel No. : (605) 684 3333
: (603) 9078 2611
KL Sales Office
Fax No : (605) 618 3388
(603) 9078 2622
KL Sales Office

Damai Laut Golf & Country Club
Hala Damai 2, Jalan Damai Laut
Off Jalan Teluk Senangin
32200 Lumut, Perak
Tel No. : (019) 574 2113
: (603) 9078 2688
KL Sales Office

VACATION CLUB

SGI Vacation Club Berhad
S-7-01 & S-7-02
Swiss Garden Residences
No. 2A, Jalan Galloway
50150 Kuala Lumpur
Tel No. : (603) 2788 6688
Fax No. : (603) 2788 6689
www.sgivacationclub.com

CORPORATE
INFORMATION

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D)

FINANCIAL SERVICES SEGMENT

CAPITAL FINANCING

OSK Capital Sdn. Bhd.
Level 21, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1938
Fax No. : (603) 2177 1933
www.oskgroup.com

OSK Capital (A) Pty. Ltd.
Level 2, 99 Queensbridge St,
Melbourne, VIC 3006,
Australia.
Tel No. : (61) 3 9278 6888
Fax No. : (61) 3 9278 6889

OSK Factoring Sdn. Bhd.
Level 21, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1938
Fax No. : (603) 2177 1933

OSK Syariah Capital Sdn. Bhd.
Level 21, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1938
Fax No. : (603) 2177 1933

CORPORATE **STRUCTURE**

AS AT 26 FEBRUARY 2021

OSK

OSK Holdings Berhad

- RHB Bank Berhad^ — 10.13%
- OSK Capital Sdn. Bhd. — 100%
- OSK Capital (S) Pte. Ltd. [Singapore] — 100%
  - OSK Capital (A) Pty. Ltd. [Australia] — 100%
- OSK Factoring Sdn. Bhd. — 100%
- OSK Syariah Capital Sdn. Bhd. — 100%
- OSK Fintech Sdn. Bhd. — 100%
  - OSK Lyte Sdn. Bhd. — 100%
- KE-ZAN Holdings Berhad — 100%
- OSK Realty Sdn. Bhd. — 100%
- OSK Capital Management Sdn. Bhd. — 100%
- OSK Design Sdn. Bhd. — 100%
- OSK I CM Sdn. Bhd. — 100%
- OSK Learning Academy Sdn. Bhd. — 100%
- OSK Supplies Sdn. Bhd. — 100%
- OSK RE Sdn. Bhd. — 100%
- OSK Rated Bond Sdn. Bhd. — 100%
- OSK Management Services Sdn. Bhd. — 100%
- OSK Property Holdings Berhad — 99.93%
  - Aspect Potential Sdn. Bhd. — 100%
  - Aspect Synergy Sdn. Bhd. — 100%
  - Aspect Vision Sdn. Bhd. — 100%
  - Atria Damansara Sdn. Bhd. — 100%
  - Country Wheels Sdn. Bhd. — 51%
  - Jelang Vista Sdn. Bhd. — 100%
  - L26 Tower Sdn. Bhd. — 100%
  - OSK Properties Sdn. Bhd. — 100%
  - OSK Properties (Seremban) Sdn. Bhd. — 100%
  - OSKP Facilities Management Sdn. Bhd. — 100%
  - Perspektif Vista Sdn. Bhd. — 100%
  - Potensi Rajawali Sdn. Bhd. — 100%
  - Ribuan Ekuiti Sdn. Bhd. — 100%
  - Rimulia Sdn. Bhd. — 55%
  - Semponia Sdn. Bhd. — 51%
  - Warisan Rajawali Sdn. Bhd. — 100%
  - Wawasan Rajawali Sdn. Bhd. — 100%
  - Atria Parking Management Sdn. Bhd. — 100%
  - Atria Shopping Gallery Sdn. Bhd. — 100%
  - OSK Properties Management Sdn. Bhd. — 100%
  - Pine Avenue Sdn. Bhd. — 100%
  - Ancient Capital Sdn. Bhd. — 100%
  - Bindev Sdn. Bhd. — 100%
  - Bunga Development Sdn. Bhd. — 100%
    - Kulai Management Services Sdn. Bhd. — 100%
  - Harbour Place Management Services Sdn. Bhd. — 100%
  - HTR Management Services Sdn. Bhd. — 100%
  - Kota Mulia Sdn. Bhd. — 100%
    - PJD Highland Resort Sdn. Bhd. — 100%
    - PTC Management Services Sdn. Bhd. — 100%
  - PJD Central Sdn. Bhd. — 100%
  - PJD Eastern Land Sdn. Bhd. — 100%
  - PJD Hartamas Sdn. Bhd. — 100%
    - Agile PJD Development Sdn. Bhd.^ — 30%
  - PJD Land Sdn. Bhd. — 100%

Legend:

Property	Construction	Financial Services and Investment Holding	Industries	Hospitalities
Property Development	Construction	Capital Financing	Cable	Hotels and Resorts
Property Investment		Investment Holdings and Others	IBS	Vacation Club

^ Associate   * Joint Venture

- PJ Development Holdings Berhad 97.22%
  - PJD Landmarks Sdn. Bhd. 100%
  - PJD Management Services Sdn. Bhd. 100%
  - PJD Properties Management Sdn. Bhd. 100%
  - PJD Realty Sdn. Bhd. 100%
  - PJD Regency Sdn. Bhd. 100%
  - PJD Sejahtera Sdn. Bhd. 100%
  - PKM Management Services Sdn. Bhd. 100%
  - Putri Kulai Sdn. Bhd. 100%
  - Superville Sdn. Bhd. 100%
  - Vibrant Practice Sdn. Bhd. 100%
  - OSK Construction Sdn. Bhd. 100%
    - PJDC International Sdn. Bhd. 100%
  - OCC Cables Berhad 100%
    - PJ Exim Sdn. Bhd. 100%
  - Olympic Cable Company Sdn. Bhd. 100%
  - OSK Industries Limited [Cayman Islands] 100%
    - OCC Cables Limited [Cayman Islands] 100%
      - OCC Malaysia Sdn. Bhd. 100%
  - Aco Built System Sdn. Bhd. 100%
  - Acotec Sdn. Bhd. 100%
    - Acotec-Concrete Products Sdn. Bhd. 100%
    - PJD Concrete Land (JB) Sdn. Bhd. 100%
    - PJD Concrete Land (South) Sdn. Bhd. 100%
  - PJD Hotels Sdn. Bhd. 100%
    - Damai Laut Golf Resort Sdn. Bhd. 99.38%
    - MM Hotels Sdn. Bhd. 100%
    - Swiss-Garden Management Services Sdn. Bhd. 100%
  - Swiss-Inn JB Sdn. Bhd. 100%
  - Swiss-Garden Hotel Management Sdn. Bhd. 100%
  - Swiss-Garden International Sdn. Bhd. 100%
    - Swiss-Garden International Limited [British Virgin Islands] 100%
  - SGI Vacation Club Berhad 100%
  - Swiss-Garden Rewards Sdn. Bhd. 100%
  - Eframe Sdn. Bhd. 100%
  - Eframe Solutions Sdn. Bhd. 100%
  - Olympic Properties Sdn. Bhd. 100%
  - PJ Equity Sdn. Bhd. 100%
  - PJD Pravest Sdn. Bhd. 100%
  - Pengerang Jaya Pte. Ltd. [Singapore] 100%
    - P.J. (A) Pty. Limited [Australia] 100%
      - Yarra Park City Pty. Ltd. [Australia]^ 38.25%
      - Equity & Property Investment Corporation Pty. Limited [Australia]^ 27.4%
        - 12.75%
  - DLHA Management Services Sdn. Bhd. 100%
    - Scotia Acres Sdn. Bhd.* 50%
      - Canggih Pesaka Sdn. Bhd.* 100%

GROUP MANAGING DIRECTOR'S **MANAGEMENT DISCUSSION AND ANALYSIS**

STRATEGIC REVIEW

The year 2020 was a very challenging year, as we were confronted with the COVID-19 pandemic and the accompanying economic fallout due to the closure of international borders and movement control orders in the markets in which we operate. In the midst of the crisis, the Group was able to stay resilient, and had generated a commendable set of financial results for our Shareholders.

We attribute this to a combination of the proactive steps taken by the Malaysian and Australian governments, the guidance from our Board of Directors, careful planning and execution of key strategies by the Management, and the hard work and dedication of our employees. Through it all, we stood together as a team and did the best we could to minimise the adverse impact of the crisis on the Group.

Throughout the course of 2020, we placed a high emphasis on the safety and well-being of our employees, many of whom had to perform customer facing or in-person roles. We also prioritised the safety of our customers, tenants, business associates and guests who visited our various business premises. In this Management Discussion and Analysis ("MD&A"), we will share more about the various measures we took to play our role in preventing the spread of COVID-19 in our workplace.

During the year, our IT transformation programme which began in 2015 was able to show its value, as our team was forced to work remotely from home during the various phases of Movement Control Orders ("MCOs") in Malaysia and the Lockdowns in Australia. We made additional investments into both hardware and software solutions to ensure that all of our business and support functions were able to operate remotely and smoothly during the MCOs and Lockdowns.

In the following sections of this MD&A, we will share detailed updates on our operations in 2020, including the financial and operational performance of each of our business units, and how we have responded to the risks we faced in each business area.

Economic Review 2020

THE YEAR 2020 WAS DEFINED BY THE COVID-19 PANDEMIC.

As early as March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. As the virus spread throughout the world, governments were forced to take unprecedented measures to restrict the movement of people in order to limit the spread of the disease. This led to the closure of international borders and lockdowns of cities, provinces and in some cases entire countries. The restriction in movements caused a direct economic fallout which resulted in a sharp decline in global Gross Domestic Product ("GDP").

In Malaysia and Australia, the two countries in which we operate, the measures to control the pandemic included the closure of state and international borders, disallowing the operations of non-essential businesses, implementation of new regulations and guidelines, and the introduction of Standard Operating Procedures ("SOPs") to manage social and economic activities with a focus on compliance with social distancing and elevated hygiene measures.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Various policies were introduced in both Australia and Malaysia to cushion the impact of lockdowns and provide social protection during this challenging period, including the easing of monetary policy, loan repayment moratoriums, wage support schemes and tax incentives.

The positive impact of the relief measures was reflected in the Malaysia's GDP, which decreased at a slower pace of 2.6% in 3Q2020 from a double-digit decline of 17.1% in 2Q2020. On a quarter-on-quarter seasonally adjusted basis, GDP growth in 3Q2020 recovered to 18.2% (2Q2020 GDP: -16.5%). Nonetheless, the Malaysian economy posted a negative growth of 3.4% in 4Q2020 with the reintroduction of the Conditional MCO ("CMCO") on certain States since mid-October 2020. On the whole, Malaysia's GDP fell by 5.6%. Notably, mobility restrictions during CMCO, particularly on inter-district and inter-state movements, caused a slowdown in all economic sectors, except the manufacturing sector, during the fourth quarter. As a result, on a quarter-on-quarter seasonally-adjusted basis, the GDP recorded a decline of 0.3% in 4Q2020 (3Q2020: 18.2%)[*].

In Australia, policy initiatives helped to cushion the impact of the economic crisis, and national GDP had improved from a recorded decline of 7.0% in 2Q2020 to a growth of 3.3% in 3Q2020[#].

As we move into 2021, the arrival of the third wave of COVID-19 and the reinstatement of the Movement Control Order ("MCO 2.0") in Malaysia effective 13 January 2021 (excluding Sarawak) have resulted in further challenges for the Group's businesses.

Sources:
* *Central Bank of Malaysia and Department of Statistics Malaysia*
\# *Australian Bureau of Statistics*

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Stakeholder-focused Material Issues and Our Response

The Group carried out a materiality assessment in year 2020 to ascertain the issues and concerns that matter to us, and this was distilled into 20 material matters with five being the most crucial to the Group's success.

Please find the summary of the material matters as below, along with the relevant risks and opportunities they present, as well as our response to these issues.

We wish to invite you to have a read of our Sustainability Report 2020, where these material issues and our responses are discussed in greater detail.

Material Matters	Principal Risks & Opportunities	Our Response	Addressed in Our Sustainability Report
Ethics and Integrity	Upholding the highest ethical values and principles in all our business activities.	Outlined clear policies, control measures and the Group's expectation towards the ethical behaviour and conduct of all our employees through our Code of Conduct and Business Ethics, Whistleblowing Policy and Fraud Policy. Kindly refer to page 64 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Innovation	Ensuring continuous stakeholder-focused progress and improvements in the way we conduct our businesses.	Introduced new enhancements, facilities and features that value-add and deliver greater benefits to our customers such as cashless parking and EV charging in our mall, greater customer engagement and convenience, and accelerating the digitalisation of our processes and operations. Kindly refer to page 27 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**
Health and Safety	Protecting the health and safety of our customers, employees and vendors against potential threats such as the COVID-19 pandemic.	Implemented a risk-based approach in safeguarding the health and well-being of our employees and customers, as well as practised the prescribed SOPs by health and security authorities to prevent the spread of COVID-19. We also increased safety awareness and training opportunities for our employees. OSK Foundation has made meaningful contributions to the battle against COVID-19 by donating funds to purchase personal protective equipment for frontliners, and also helping the poor and needy within our community during these difficult times. Kindly refer to page 32 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**
Quality Products and Services	Strive to deliver products and services that are of value and quality, while ensuring the satisfaction of all our customers and business partners.	Strived to ensure the highest level of satisfaction of our products and services by engaging with our customers through surveys, apps and organising feedback sessions with our stakeholders. Upheld high product quality and service standards in accordance with the accreditations garnered by our respective businesses. Kindly refer to page 65 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Material Matters	Principal Risks & Opportunities	Our Response	Addressed in Our Sustainability Report
Talent Management	Availability, sourcing and nurturing our talents to support the Group's long-term business objectives.	High performers were identified to participate in a structured 18-month talent grooming programme, under close guidance and supervision of assigned mentors to ensure their continuous growth and unlock their potential for future leadership roles in the Group. Kindly refer to page 29 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**
Regulatory Compliance	Ensuring compliance with prevailing laws and regulations in the way we carry out our daily operations and businesses.	Continued to ensure full compliance with all prevailing laws and regulations in all our business operations. Kindly refer to page 68 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Anti-corruption	Ensuring strict compliance with all provisions under the MACC Act 2009 Section 17A.	We set up a dedicated task force for Group-wide rollout of MACC Act 2009 Section 17A measures under the OSK Anti-Bribery and Anti-Corruption Programme. Kindly refer to page 69 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Economic Performance	Delivering strong, sustainable returns for our stakeholders and the community amid a dynamic and constantly evolving market environment.	We established and put into action a set of business strategies and management approach for each division, and further supported by our new sustainability blueprint known as "OSK, Growing Together" to mitigate and future-proof disruptions that may impact our businesses. Kindly refer to page 67 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Market Presence	Cascading beneficial influence and presence to the local communities where we operate as part of efforts to build and maintain positive social license.	All members of our senior management team comprise of locals hired within the community where we operate. We continued to be committed towards providing fair employment opportunities that integrate people from different backgrounds, ethnicity, age groups, languages, physical abilities and skillsets. Kindly refer to page 44 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**
Reputation	Maintaining a strong branding and market leadership for all our products and services.	We continued to demonstrate industry leadership through engaging with industry associations on key issues and providing our feedback on market developments to support the growth of the sectors we are engaged in. Kindly refer to page 70 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Sustainable Procurement	Upholding responsible procurement practices through close engagement with our supply chain.	The Group continued its efforts in pursuing responsible and cost-effective procurement practices as set out in our Procurement Operations Manual, which was rolled out in May 2020. Kindly refer to page 72 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Material Matters	Principal Risks & Opportunities	Our Response	Addressed in Our Sustainability Report
Biodiversity	Supporting diverse ecosystems in our development projects.	We officially launched our Iringan Bayu Wetland Park during the year to support a healthy ecosystem and living environment that supports environmental conservation. The park consists of more than 200,000 wetland plants, 972 trees of 60 different species and has attracted more than eight bird species and 11 local fishes. The 972 trees planted at the public park serve as a natural carbon sequester, which we aim to nurture to full maturity in the coming years. Kindly refer to page 57 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**
Climate Change	Promoting permanent greenery in our development projects as part of efforts to combat climate change.	We promoted permanent natural carbon sinks in our townships to mitigate carbon emissions in the long-run such as the Ujana Perbandaran Sungai Petani (Sungai Petani Urban Park), the largest public recreational park in Sungai Petani, Kedah. The park also serves as a well-known green lung in the area, providing recreational space for healthy outdoor activities among local residents. Kindly refer to page 61 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**
Green Building	Creating buildings and developments that impart health, well-being and resource efficiency benefits to our homebuyers.	As a hallmark of the Group's first Gold GBI Index project, Ryan & Miho is a testament of the Group's commitment towards green living that helps reduce impact to the environment. Ryan & Miho achieved provisional GBI Gold certification in September 2019 and is expected to be fully completed in 2021. Kindly refer to page 62 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**
Energy	Supporting environmental conservation through conscious efforts by improving energy efficiency through energy saving programmes and installing energy-efficiency devices at our premises.	We made further progress in optimising our energy consumption during the year through conscious efforts in reducing wastages, and installing devices such as solar panels at our Olympic Cable factory in Melaka, as well as electric vehicle charging bays at Atria and installation of LED lights to lower our consumptions without compromising practicality and performance. Kindly refer to page 58 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**
Waste	Supporting environmental conservation through conscious efforts by improving waste management practices in our projects and premises.	We contributed to Dasar Komuniti Negara via one of our projects at Projek Perumahan Rakyat Bagan Jaya, where we completed and handed over the Zecomm Centre (zero waste centre) to the residents to encourage a zero-waste lifestyle. Besides continuously promoting responsible waste management across our construction sites and premises, we also piloted a charity recycling programme at Plaza OSK where we collected a total of 546 kg (September-November 2020) of recyclables, through our partnership with the Lovely Disabled Home Recycle Centre. Kindly refer to page 54 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Material Matters	Principal Risks & Opportunities	Our Response	Addressed in Our Sustainability Report
Water	Supporting environmental conservation through conscious efforts by improving water efficiency in our premises.	Besides promoting the importance of water conservation among our employees through the 3R Sustainability Campaign held at Plaza OSK, our property arm's green property projects feature rainwater harvesting systems that reduce water consumption by 50%. Water consumption for landscape irrigation has also been reduced by 50% via the use of native and adaptive plants. At the same time, all OSK Property ("OSKP") projects, our hospitality premises and community mall use water-efficient sanitary fittings such as dual-flush water closet, basin taps installed with constant flow regulator and aerator to minimise water consumption. Kindly refer to page 56 in our Sustainability Report.	Caring for The Environment **Sustainability Driver:**
Community Engagement	Regular engagements with our stakeholders to understand their concerns and gather valuable feedback to improve our products and services.	We continued to engage our customers, employees, vendors, business partners, financiers and the community in a variety of ways to increase our awareness of the latest market developments, as well as the expectations of our stakeholders in relation to our products and services. Kindly refer to page 41 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**
Data Protection	We hold ourselves accountable for the way we treat personal data gathered in the course of our operations and ensuring compliance with laws and regulation relating to protection of privacy and interests of all our stakeholders.	No significant cybersecurity breach was reported throughout the year. Our Personal Data Protection Policy ("PDPP") defines how we collect, use and protect personal data obtained in the course of our operations, in compliance with the requirements of the Personal Data Protection Act 2010. At the practical level, considerable efforts were invested in ensuring a high level of cybersecurity is achieved via the implementation of a risk-based control approach and enforcement through documented policies and procedures, software and hardware controls to mitigate our cybersecurity risks. Kindly refer to page 73 in our Sustainability Report.	Ensuring Fair, Safe and Transparent Business Practices **Sustainability Driver:**
Diversity and Equal Opportunities	Providing an inclusive and engaging work environment for our employees while ensuring equal and fair opportunities for all our talents.	We have introduced our Diversity and Inclusion Policy, which provides a framework for inclusive and acceptable work practices and behaviour for all employees. In doing so, we actively ensure fair employment and equal treatment of all employees across all business divisions in the Group. Kindly refer to page 38 in our Sustainability Report.	Nurturing Inclusive and Sustainable Communities **Sustainability Driver:**

PERFORMANCE REVIEW

Key Financial Indicators 2020

REVENUE

RM 1,085.5 million

PROFIT BEFORE TAX

RM 410.8 million

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RM 339.3 million

TOTAL ASSETS

RM 8,642.7 million

SHAREHOLDERS' FUNDS

RM 5,294.4 million

NET GEARING RATIO

0.33 times

Financial Highlights

Group Financial Performance

Despite the challenges posed by the COVID-19 pandemic, among which include continuous movement control restrictions since March 2020, the Group recorded a set of commendable results for the financial year ended 31 December 2020 ("FY2020"). The Group registered a PBT of RM410.8 million on the back of a total revenue of RM1.1 billion. On 30 June 2020, the Group completed the disposal of OVI Cables (Vietnam) Co., Ltd. ("OVI"), a subsidiary involved in the manufacturing of power cables in Ho Chi Minh, Vietnam, recording an one-off gain on disposal (including realisation of foreign currency translation gain) of RM7.7 million.

The Group's FY2020 core PBT, which registered a year-on-year decrease of 5%, was contributed by our business segments. In FY2020, the Property Development and Capital Financing divisions' performance improved by 15% and 46% year-on-year, respectively. However, our Hospitality, Industries and Construction segments registered a decline in financial performance due to the impact of the pandemic.

The improved performance of the Property Development division was mainly due to progress billings from ongoing property development projects, which saw commendable take-up rates coupled with additional cost savings achieved upon completion of projects. We are pleased to note that this achievement is the result of close collaboration and synergy between the Property Development and Construction teams which optimised our cost structure and delivery efficiency, known as our "Prop-Con" model.

On the other hand, the enhanced profit seen in the Capital Financing Division was derived as a result of the expansion of our financing business to cover a broader spectrum of clients, and our continuous efforts in managing our credit quality, with a non-performing loan ("NPL") ratio of 1.9% as we close the year.

Statement of Financial Position

The Group's shareholders' funds grew to RM5.3 billion in FY2020, equivalent to a net asset per share of RM2.57. Total assets rose to RM8.6 billion in the same period, primarily from increased cash, bank balances and short-term funds, investments in associates and a joint venture, and growth in the capital financing portfolio.

Capital Management

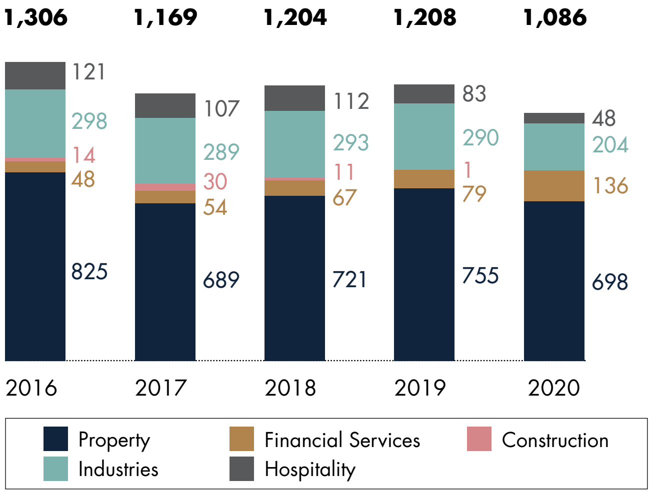
The Group's total borrowings amounted to RM2.4 billion, while cash, bank balances and short term funds stood at RM662.7 million in FY2020. Net borrowings reduced by RM53.5 million from a year ago. We carefully managed the Group's financial position and achieved net gearing ratio at a healthy level of 0.33 times.

During the year, the Group issued Tranche 3 and 4 of our MTN3 programme and raised RM300.0 million in (8) series with maturities commencing from 2021 to 2028. Proceeds were utilised for the Group's working capital to match our liquidity profile and repayment of bank borrowings.

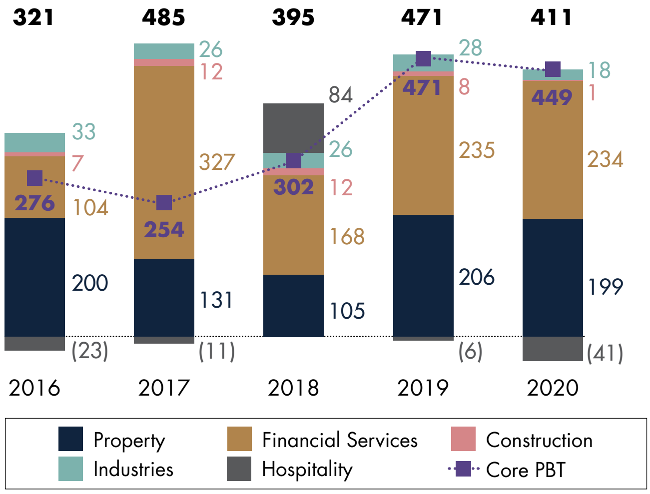
Apart from conventional credit facilities secured from financial institutions and our existing unrated bonds/Medium-term notes ("MTN") and Sukuk programmes, we continued to explore various avenues to further strengthen and balance our portfolio, including re-evaluating the composition of our financiers, tenures, and cost of funds.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

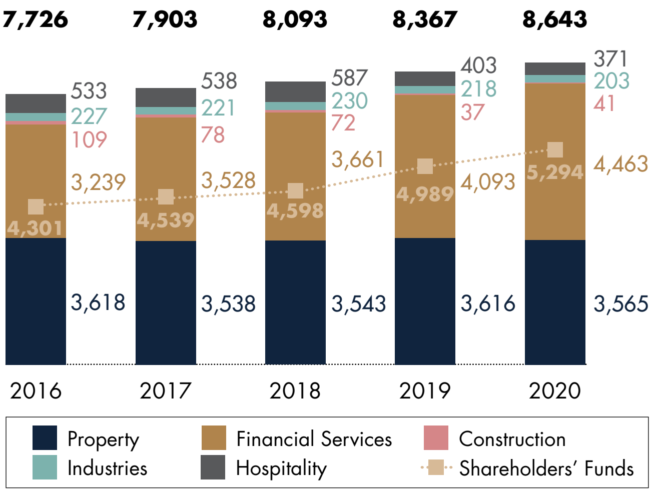
Revenue (RM'million)



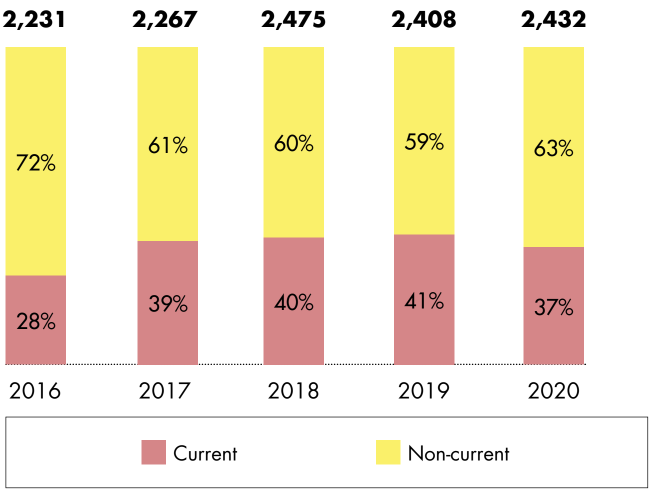
Profit Before Tax ("PBT") and Core PBT (RM'million)



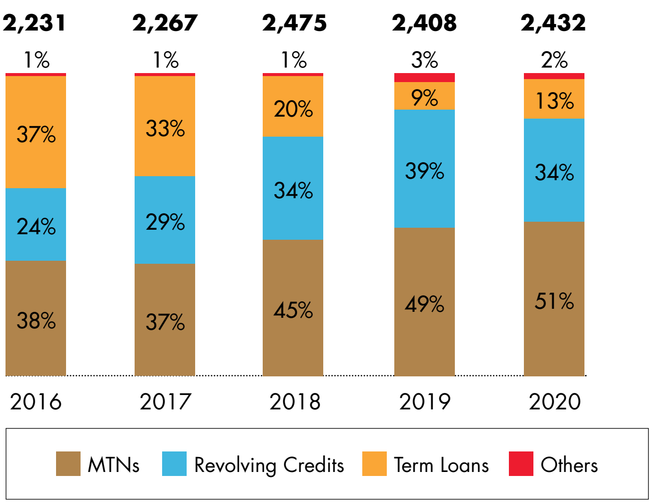
Total Assets and Shareholders' Funds (RM'million)



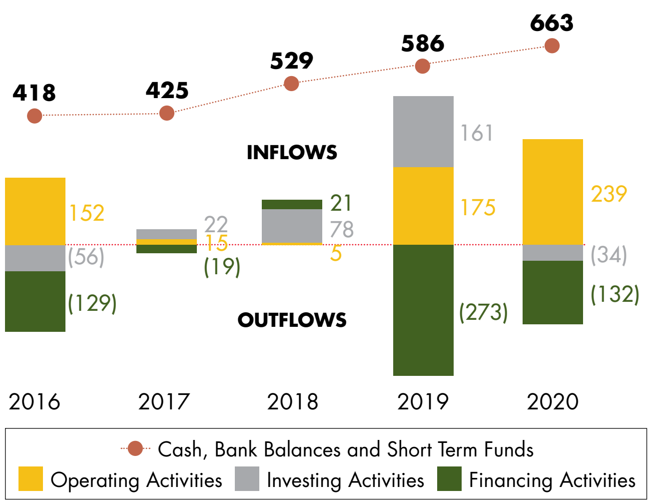
Total Borrowings (RM'million)



Total Borrowings by Types (RM'million)



Cash Flows (RM'million)



GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

With this in mind, the Group established a new treasury management subsidiary, known as OSK Rated Bond Sdn. Bhd. ("OSKRB"), with the objective of tapping into larger investors pool via the issuance of rated bonds. OSKRB successfully lodged its Rated Sukuk Murabahah/ Multi-Currency Medium-Term Notes Programme ("Sukuk/MCMTN") with the Securities Commission Malaysia in September 2020 featuring a combined issuance limit of up to RM2.0 billion in aggregate nominal value.

The Malaysian Rating Corporation Berhad ("MARC") has assigned its final rating of "AA_{IS}/ AA" to OSKRB's proposed Sukuk/MCMTN with a "Stable" outlook.

Statement of Cash Flows

Operating Activities

The Group's net cash generated from operating activities increased to RM239.3 million in FY2020, up by RM64.5 million or 37% year-on-year, compared to RM174.8 million in FY2019. The higher net cash in FY2020 was mainly generated from improved cash collection and higher realisation of inventories from our property projects in FY2020.

Investing Activities

The Group utilised a total of RM34.2 million from investing activities in FY2020 compared to RM160.6 million cash generated from investing activities a year ago. Total dividend received from RHB Bank Berhad in FY2020 was RM75.1 million (FY2019: RM103.6 million). An amount of RM88.3 million was utilised for the purpose of land acquisitions in Puchong and Melawati during the financial year versus a receipt of the balance proceeds of RM68.0 million from the sale of a hotel in a year earlier. The Group also completed the disposal of a subsidiary, OVI Cables (Vietnam) Co. Ltd. in Vietnam with a net cash inflow of RM8.5 million.

In respond to the dynamic operating environment, the Group remains conscious of its risks and adopts close supervision on the performance of its businesses to mitigate potential operational, financial and strategic risks.

NET OPERATING ACTIVITIES
RM239.3
million

LODGED SUKUK/MCMTN PROGRAMME
RM2.0
billion in nominal value

CASH AND CASH EQUIVALENTS
RM662.7
million

MARKET CAPITALISATION
RM1,855.9
million

Financing Activities

Net cash utilised in financing activities decreased to RM132.0 million in FY2020 from RM273.2 million in FY2019. Net drawdowns via bank borrowings and issuance of Sukuk/MTN was RM20.6 million compared with net repayment of RM91.8 million in FY2019.

Cash and Cash Equivalents

As at 31 December 2020, the Group's total cash and cash equivalents stood at RM662.7 million, an increase of RM72.7 million from RM590.0 million from a year ago.

Risk Management

In respond to the dynamic operating environment, the Group remains conscious of its risks and adopts close supervision on the performance of its businesses to mitigate potential operational, financial and strategic risks. The Group undertakes proactive mitigation measures for each identified key risks as part of our comprehensive approach towards effective risk management.

The Group's Risk Management approach is founded on our Enterprise Risk Management ("ERM") framework, which covers key business activities, initiatives and processes of the Group. It enables the Group to effectively identify, evaluate, mitigate and monitor risks as they arise. The Risk Management Committee has oversight on all risk matters.

For further information on the Group's risk management structure and processes, please refer to the Statement on Risk Management and Internal Controls on pages 132 to 134 of this Report.

For identified key risks and mitigation measures in relation to the respective business divisions, please refer to the Business Review section on pages 38 to 75.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Five-year Financial Summary

	2020	2019	2018	2017	2016
Financial Performance (RM'million)					
Revenue	**1,086**	1,208	1,204	1,169	1,306
Gross profit	**397**	420	342	304	401
Profit before tax	**411**	471	395	485	321
Core profit before tax [(1)]	**449**	471	302	254	276
Profit after tax	**343**	419	352	404	252
Profit attributable to Owners of the Company	**339**	412	346	400	247
Financial Position (RM'million)					
Share capital	**2,095**	2,095	2,095	2,095	1,403
Net assets attributable to Owners of the Company (Shareholders' funds)	**5,294**	4,989	4,598	4,539	4,301
Total assets	**8,643**	8,367	8,093	7,903	7,726
Total net tangible assets	**5,335**	5,009	4,596	4,557	4,314
Other Financial Information					
Market capitalisation (RM'million)	**1,856**	2,155	1,807	2,223	1,939
Net assets per share attributable to Owners of the Company (RM)	**2.57**	2.41	2.21	2.19	2.07
Share price at the end of the year (RM)	**0.90**	1.04	0.87	1.07	0.93
Earnings per share (sen)	**16.40**	19.84	16.66	19.27	11.90
Dividend per share (sen)	**4.0[(2)]**	5.00	5.00	6.00[(3)]	7.50
Net gearing ratio (times)	**0.33**	0.37	0.42	0.40	0.41
Return on equity (%)	**6.60**	8.60	7.58	9.06	5.89

Notes:

[(1)] The Core profit before tax excluded the following items:

Gain on disposal of a subsidiary	***8***	-	-	-	-
Fair valuation (loss)/gain of investment properties	***(28)***	-	-	*53*	*56*
Impairment loss on property, plant and equipment	***(18)***	-	-	-	*(11)*
Gain on disposal of hotel properties	***-***	-	*93*	-	-
Gain on deemed disposal of a subsidiary	***-***	-	-	*178*	-
Total	***(38)***	-	*93*	*231*	*45*

[(2)] Dividend per share for FY2020 of 4.0 sen consists of a single-tier interim dividend of 1.0 sen per share paid on 8 October 2020 and a proposed single-tier final dividend of 3.0 sen per share. The proposed final dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting.

[(3)] Dividend per share for FY2017 of 6.0 sen consists of a single-tier interim dividend of 2.5 sen per share and a single-tier final dividend of 3.5 sen per share. The single-tier final dividend of 3.5 sen per share is based on the enlarged number of ordinary shares after the bonus issue.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Value-added and Distribution

(RM'million)	2020	2019	2018	2017	2016
Value Added:					
Revenue	**1,086**	1,208	1,204	1,169	1,306
Purchase of goods and services	**(760)**	(815)	(912)	(906)	(986)
Value added by the Group	**326**	393	292	263	320
Other income	**44**	34	122	102	99
Gain on deemed disposal of a subsidiary	**-**	-	-	178	-
Share of results of associates and a joint venture	**251**	275	237	182	149
Total value added	**621**	702	651	725	568
Reconciliation:					
Profit after tax	**343**	419	352	404	252
Add: Depreciation and amortisation	**40**	29	28	29	29
Finance costs	**47**	64	80	73	78
Salaries and other staff costs	**123**	138	148	137	140
Tax expense	**68**	52	43	82	69
Total value added	**621**	702	651	725	568
Distribution:					
To employees					
- Salaries and other staff costs	**123**	138	148	137	140
To the Government					
- Corporate taxation	**68**	52	43	82	69
To providers of capital					
- Dividends to the Owners of the Company	**83**	104	114	104	69
- Profit attributable to non-controlling interests	**4**	7	6	3	5
- Finance costs	**47**	64	80	73	78
	134	175	200	180	152
To reinvest for future growth of the Group					
- Depreciation and amortisation	**40**	29	28	29	29
- Profits retained by the group	**256**	308	232	297	178
	296	337	260	326	207
Total value distributed	**621**	702	651	725	568

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Investors' Information

OSK is committed to provide transparent, accurate and timely communication relating to the Group's business strategies, financial performance and business initiatives to our Shareholders, fund managers, analysts, investors and the public to enable them to make timely and informed investment decisions. The Group's Investor Relations ("IR") function serves as the gateway through which regular engagements are held with our stakeholders to establish trust and transparency, instil confidence and credibility, and provide ongoing updates on our performance and prospects.

The Group's IR function focuses on maintaining clear and comprehensive information, underscored by equitable access to all stakeholders in all material announcements to Bursa Securities. The Group adopts the following engagement channels with our Investment Community:

Meetings and conference calls

The Group's Senior Management team holds meetings and/or conference calls with both local and foreign institutional shareholders, fund managers, analysts and investors to share our latest progress and operational updates, whilst adhering to regulatory guidelines on material disclosures.

Annual and Sustainability Reports, Quarterly Financial Announcements, and Media Releases

OSK publishes quarterly financial results and annual reports with an aim to share relevant information relating to the financial and operating performance of the Group that are of material interest to the Investment Community. This is complemented by our Sustainability Reports, which detail the Group's sustainability agenda and how we respond to material sustainability issues. In addition, we disclose material corporate updates via official announcements to Bursa Malaysia, as prescribed under the Main Market Listing Requirements, and where applicable, are accompanied by media releases for dissemination to the public. The reports and links to our announcements can be accessed via the Group's website.

https://www.oskgroup.com/corporate-announcements/

General Meetings

The Group's Annual General Meetings ("AGMs") are the most important platform of formal communication between our Shareholders, Board of Directors ("the Board") and the Senior Management team of the Group. Shareholders may raise questions and provide feedback to the Board and the Senior Management team, and exercise their rights as Shareholders, including the right to vote on resolutions during these meetings. Shareholders who are unable to attend may appoint their respective proxies to represent them in the AGMs and vote on their behalf.

Due to the MCO, we embraced the new normal and conducted a fully virtual AGM in 2020.

Details of the upcoming AGM are disclosed on the Notice of Annual General Meeting section on pages 329 to 335 of this Report.

Website and E-mail

The Group's IR team is led by the Group Chief Financial Officer. The Group IR portal is integrated within the Group's website and is established to facilitate effective and transparent communication between the Group and the Investment Community in a timely manner.

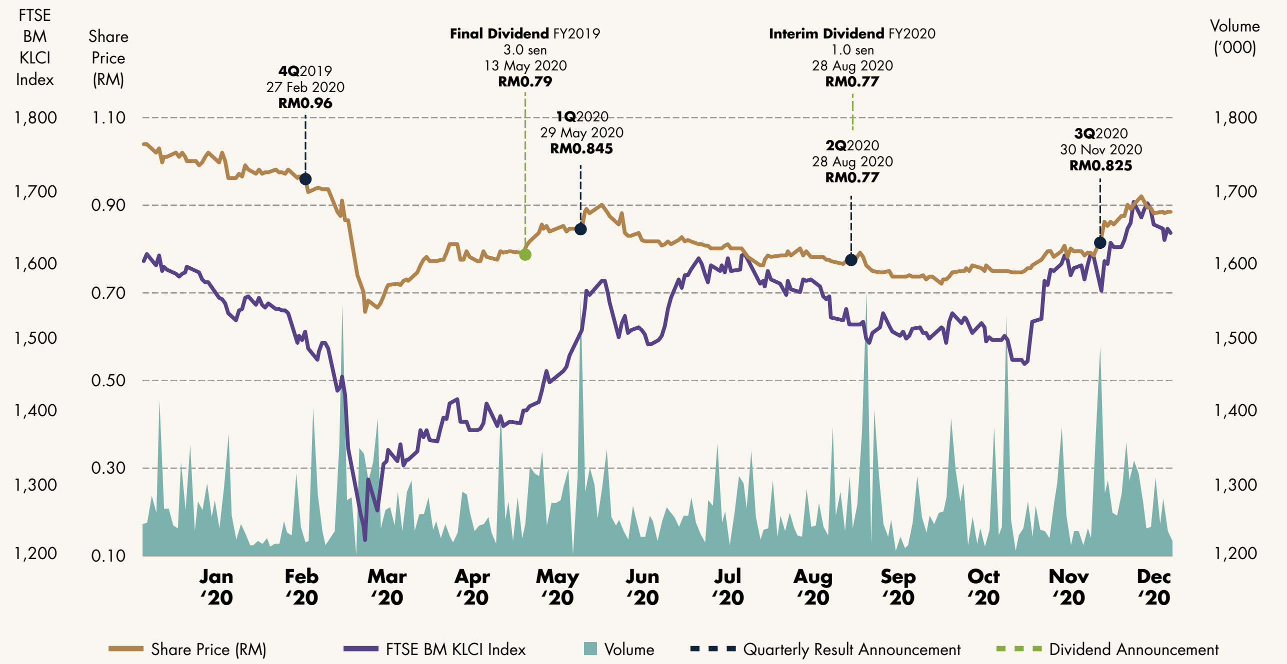
https://www.oskgroup.com/overview/

We welcome IR-related queries, which can be addressed to the Group's Senior Management and/or the IR team at: ir@oskgroup.com

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Share Price and Volume Traded

Share Performance



	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20
Closing Price (RM)	0.96	0.93	0.72	0.78	0.85	0.81	0.78	0.77	0.73	0.75	0.83	0.90
Volume ('000)	13,958	6,455	16,268	9,927	10,347	12,606	10,859	8,001	14,552	13,264	9,105	16,052
FTSE BM KLCI Index	1,531.06	1,482.64	1,350.89	1,407.78	1,473.25	1,500.97	1,603.75	1,525.21	1,504.82	1,466.89	1,562.71	1,627.21
Bursa Malaysia Property Index	764.30	731.72	552.37	599.56	641.05	621.94	622.26	644.24	609.49	592.02	664.31	734.69

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Calendar

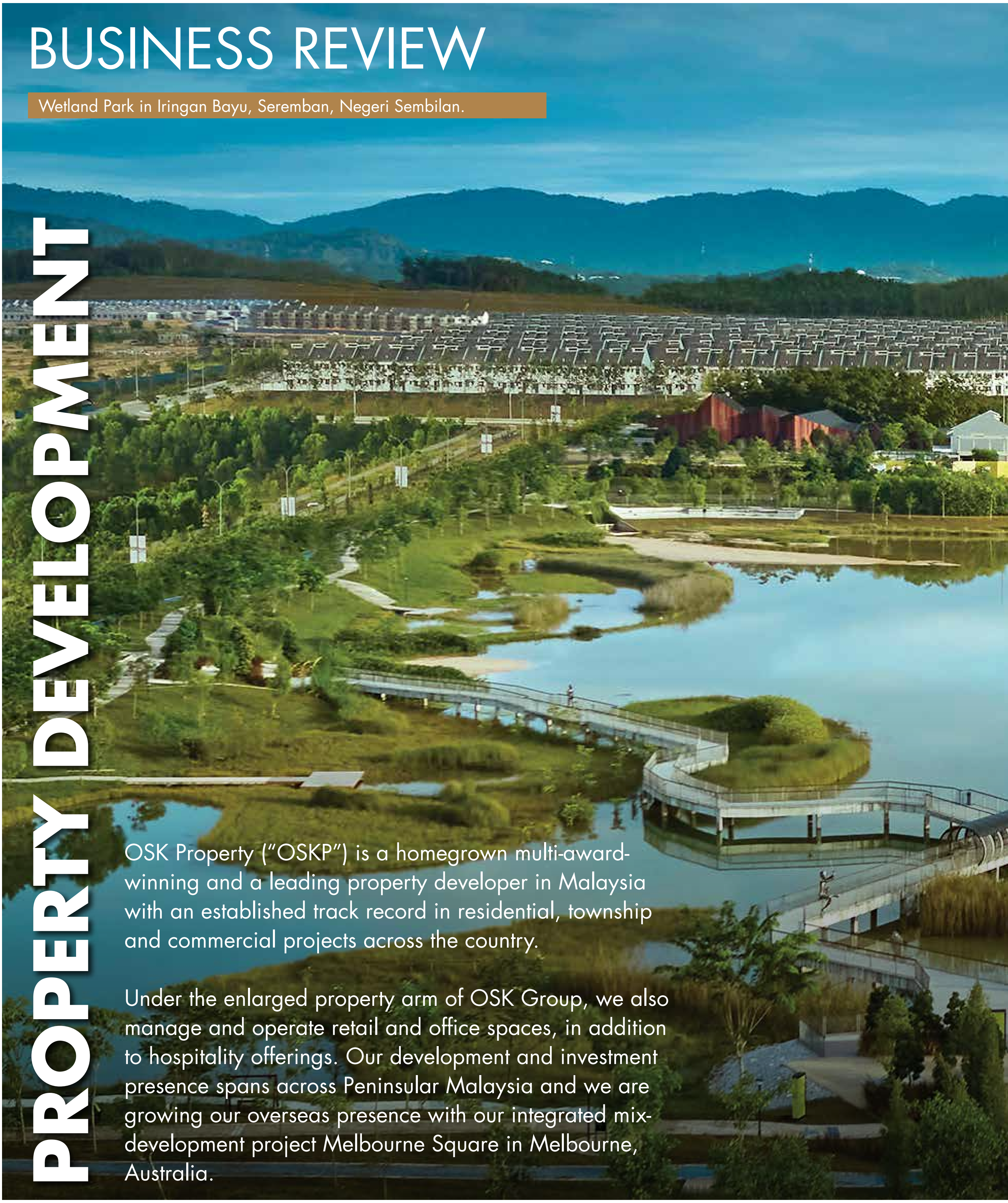
Dividends to Shareholders					
	Proposed or declared and paid	Proposed	Declared and paid	Declared and paid	Declared and paid
	Dividend description	Single-tier final dividend of 3.0 sen per ordinary share	Single-tier interim dividend of 1.0 sen per ordinary share	Single-tier final dividend of 3.0 sen per ordinary share	Single-tier interim dividend of 2.0 sen per ordinary share
	Financial year ended	31 December 2020	31 December 2020	31 December 2019	31 December 2019
	Announcement date on the notice of entitlement and payment	22 March 2021	28 August 2020	13 May 2020	29 August 2019
	Entitlement date	26 April 2021	15 September 2020	18 June 2020	18 September 2019
	Payment date	11 May 2021	8 October 2020	2 July 2020	3 October 2019

Quarterly Financial Results					
	Unaudited consolidated results	4th Quarter 2020	3rd Quarter 2020	2nd Quarter 2020	1st Quarter 2020
	Quarter ended	31 December 2020	30 September 2020	30 June 2020	31 March 2020
	Announcement date	26 February 2021	30 November 2020	28 August 2020	29 May 2020

Annual General Meetings ("AGM")					
	AGM	31st	30th	29th	28th
	Financial year ended	31 December 2020	31 December 2019	31 December 2018	31 December 2017
	Meeting date	21 April 2021	12 June 2020	30 April 2019	24 May 2018
	Mode of meeting, venue	Virtual Meeting at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan	Virtual Meeting at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan	Physical meeting at Exhibition Hall 4, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Wilayah Persekutuan	Physical meeting at Grand Hibiscus Ballroom, Level 3, Swiss-Garden Hotel & Residences Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, Wilayah Persekutuan
	Time	10:00 am	10:00 am	10:00 am	2:30 pm

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.oskproperty.com.my



BUSINESS REVIEW

Wetland Park in Iringan Bayu, Seremban, Negeri Sembilan.

PROPERTY DEVELOPMENT

OSK Property ("OSKP") is a homegrown multi-award-winning and a leading property developer in Malaysia with an established track record in residential, township and commercial projects across the country.

Under the enlarged property arm of OSK Group, we also manage and operate retail and office spaces, in addition to hospitality offerings. Our development and investment presence spans across Peninsular Malaysia and we are growing our overseas presence with our integrated mix-development project Melbourne Square in Melbourne, Australia.

Operations Review

Operating Environment

In the year 2020, the prolonged COVID-19 pandemic and the ensuing knock-on effect on the economy had delivered considerable impact on property demand in Malaysia and Australia. In a concerted effort to support the local property market and assist aspiring homeseekers in purchasing their home, the Malaysian Government announced the revival of the nationwide Home Ownership Campaign ("HOC"), as part of the Short-term Economic Recovery Plan ("PENJANA") on 5 June 2020.

Attractive HOC incentives were applicable for Sale and Purchase Agreement executed between 1 June 2020 and 31 May 2021, and these include stamp duty exemptions on instruments of transfer and loan agreements for residential properties, subject to discounts of at least 10% on the purchase price from participating developers.

Accompanying fiscal and monetary measures announced by Bank Negara such as the lowering of the Overnight Policy Rate by one percentage point to 1.75% and the automatic six-month loan moratorium for all bank loans also lent support to the property sector, and provided much-needed financial relief for individuals and businesses that experienced significant impact from the pandemic.

Movement restrictions from the COVID-19 pandemic added further stress to the property industry, which had been experiencing a prolonged slowdown hindered by pre-existing macro structural concerns of oversupply, affordability and stagnating income levels.

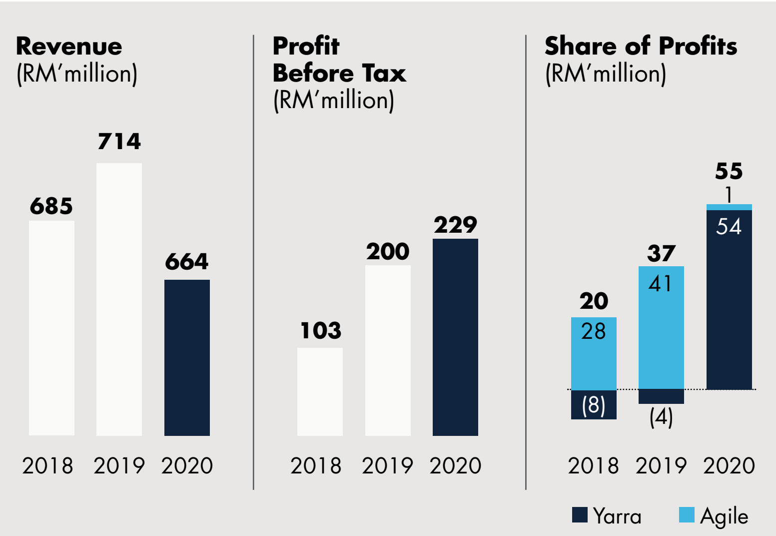
Demand for new apartments in Melbourne, Australia was also impacted as the city's repeated lockdowns to bring the coronavirus under control caused significant job losses and business closures, as consumer confidence took a plunge. On the other hand, construction progress for various infrastructure and property projects was delayed as restriction on the number of allowed on-site workers to ensure safe social distancing took effect.

To steer the country's economy back on track amidst its first recession in almost three decades, the Australian federal government together with the Victorian local government acted decisively by announcing a number of economic support packages, such as the JobKeeper and JobSeeker payment schemes, waiver of payroll taxes, stamp duty discounts, and waiver of land related taxes. The Reserve Bank of Australia ("RBA") also cuts its cash rate to an all-time low at 0.10% in FY2020 to boost economic activities.

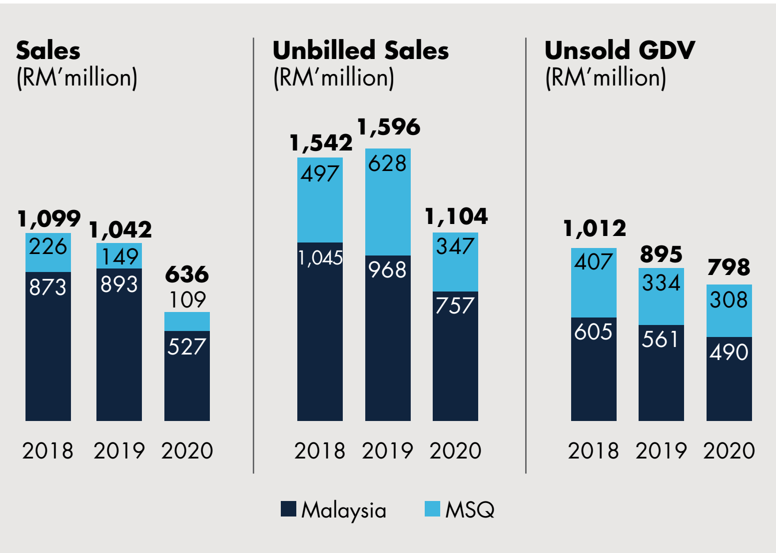
From a financial and operational standpoint, OSK Property is well-poised to weather the challenges and capture new opportunities ahead with its strong cashflows, management expertise and prudent financial controls. The Malaysian and Australian international borders were closed since 1Q2020 and have remained closed to-date.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics



Performance Metrics



Financial Performance

In accordance with approved accounting standards, the Group practises a dual income recognition approach for its property development business. Income derived from the property development business in Malaysia is recognised over time (i.e. throughout the stages of completion of each project), while profits from our property development business in Australia is only recognised upon completion and settlement.

Hence, there is an observable asymmetry in the contribution of profits over time between our projects in both countries.

In FY2020, the Property Development Division recorded a total revenue of RM664.5 million and a PBT of RM228.7 million, compared with a revenue of RM714.3 million and a PBT of RM200.0 million a year ago, despite significant MCO disruptions in Malaysia and weakened demand in Australia for most of the year. The Division recorded net sales of RM636.4 million from ongoing projects, as well as new launches. The Division's PBT improved 14% year-on-year or RM28.7 million, due to strong sales achieved from all our projects, higher recognised profits from completion of projects and profit recognised on settlement in Australia.

The progressive completion, handover and settlement of Melbourne Square ("MSQ") Phase 1 since January 2020 had contributed about RM53.6 million to the division's pre-tax profit in FY2020. The maiden profit contribution from MSQ cushioned a lower share of profit from the Agile Mont Kiara project, which was completed during the year, of RM41.1 million in FY2019 to RM0.7 million in FY2020.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Initiatives & Business Updates

Encouraged by strong market response for our homes that are mostly priced within the affordable range, the Property Development Division continues to focus on residential projects in the high-rise and township segments and where applicable, encompass commercial and retail components.

The Division aims to deliver good value and quality products to our customers in a timely manner, in line with the brand promise of OSK Property. The Group's ongoing property development projects are located across the Klang Valley, Kedah, Penang and Negeri Sembilan in Peninsular Malaysia, as well as in Melbourne, Australia.

Year 2020 marked an important milestone for OSK as the Group celebrated 55 years of legacy and growth in the property industry. As a leading home-grown brand, OSK Property constantly adopts a forward-thinking approach and continuously raises the benchmark in every project. Harnessing our deep experience in property development, our strength in construction, and our expertise in building materials manufacturing, we have been able to synergise our resources and industry know-how to deliver quality homes for our homebuyers. To mark this momentous occasion, OSK Property celebrated its 55th anniversary with the launch of a year-long reward programme offering homebuyers a chance to win a grand prize of RM55,000.

In Malaysia, the Group launched RM502.4 million worth of properties in FY2020, compared with RM683.7 million in FY2019. New launches in FY2020 focused on unlocking further value from both our Bandar Puteri Jaya township in Kedah and our Iringan Bayu township in Negeri Sembilan.

Five new developments were launched in Yarra Park within the Bandar Puteri Jaya township including single-storey and double-storey semi-detached and bungalow homes, as we continue to realise the value of our existing townships. Among these launches, OSK Property introduced Northfield, Yarra Park, which comprised 162 units of single-storey terrace homes with a Gross Development Value ("GDV") of RM49.1 million.

OSK Property also launched an additional four sub-phases in Somerville (which comprised 43 units of single-storey bungalow homes) with a total GDV of RM26.3 million and subsequently, Westfield (which comprised 13 units of single and double-storey bungalow homes, 108 units of single-storey semi-detached homes and 44 units of double-storey semi-detached homes) with a combined GDV of RM88.6 million.

During the same year, we commenced the construction of a hypermarket in Yarra Park, Bandar Puteri Jaya. The hypermarket will be a catalyst that adds further value for current and future residents, while adding to the growing list of amenities in this township. Construction of the hypermarket is expected to be completed in year 2021.

In Negeri Sembilan, three new landed property phases were launched in our Iringan Bayu township in Seremban, which comprised single and double-storey terrace homes.

Phase 3B in Iringan Bayu, known as Mekary, was released in January 2020, which encompassed 318 units of double-storey terrace homes with an estimated GDV of RM145.4 million.

Despite the softer property demand in Malaysia, we are pleased to note that our Iringan Bayu township continued to achieve good take-up rates for Phase 3C, known as Desira, which comprised 219 units of single-storey terrace homes with an estimated GDV of RM88.5 million.

In response to the high take-up rate within the local Seremban community, Phase 3D of Iringan Bayu, known as Aury, which comprised 215 units of double-storey terrace homes with an estimated GDV of RM104.5 million, was launched in December 2020.

During FY2020, OSK Property successfully completed and handed over the first and second phase of Iringan Bayu to our home purchasers, namely Pastura (Phases 2A and 2B) and Astera (Phases 2C and 2D), consisting a total of 761 units of residential homes. Staying true to our commitment to build excellent quality homes for our customers, the completed phases of 2C and 2D achieved Quality Assessment System in Construction ("QLASSIC") quality scores of 77% and 75% respectively, which met our internal quality benchmark.

The Group has continually made a conscious effort to carefully time the release of new launches, while managing the unsold inventory of ongoing projects, as well as unsold completed units. As such, we remain prudent in our launch decisions as we continue to strengthen our business recovery plan moving forward.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

As the COVID-19 outbreak stretches onward, we experienced a drastic shift in consumer behaviour, especially in terms of making significant financial commitments such as buying a property. As such, we have introduced sales packages that aim to assist homebuyers in their purchases.

Digitalisation will be the way forward for the entire property market with virtual tours, social media channels and direct-to-consumer initiatives taking centrestage. Hence, we have intensified our digital engagements across all platforms by rolling out a series of virtual marketing campaigns to create awareness on our attractive home packages that could help aspiring homeseekers purchase their desired home even during this trying time.

Through our innovative marketing approach, as well as the successful 55th Anniversary Campaign, the Group's unsold GDV for ongoing Malaysian projects stood at RM487.3 million, as at end-FY2020. Our unsold completed inventory stood at a minimal RM23.6 million.

The high sell-through rate for our projects has allowed us to stay nimble amidst the current challenging property market.

Partnership ventures in Malaysia and Australia

Apart from wholly-owned projects, the Group also entered into two joint ventures with reputable partners to jointly undertake property development projects in Malaysia and Australia.

The Group's first joint venture partner is Agile Group Holdings Limited (a Hong Kong-based public listed company) via a wholly-owned subsidiary in Malaysia, whom we partnered to jointly undertake the development of Agile Mont Kiara in Kuala Lumpur.

http://www.agileinternational.com.my/mont-kiara/

The second joint venture partner is the Employees Provident Fund ("EPF") of Malaysia, whom we partnered to jointly develop the integrated Melbourne Square ("MSQ") mixed development in Melbourne, Australia.

http://www.melbournesquare.com.au/

Agile Mont Kiara consists of 813 units of serviced apartments with an estimated GDV of RM1.2 billion. As at end-FY2020, Agile Mont Kiara was fully sold out, completed and handed over to purchasers since July 2020.

MSQ, on the other hand, is our first flagship development project in Australia. The iconic and the largest mixed-use integrated development in Melbourne consists of residential, retail, office and hotel components strategically located in Southbank, Melbourne. MSQ is located within walking distance from Crown Casino, the Melbourne Convention and Exhibition Centre and the Flinders Street Railway Station.

Phase One of MSQ, with a total GDV of approximately AUD960.0 million (approximately RM3.0 billion, AUD1.0 = RM3.0896 as at 31 December 2020), comprises two high-rise towers (East Tower and West Tower) with 1,054 units of residential apartments and a 6,200 m^2 retail podium featuring a comprehensive range of amenities for the residents. The project also offers a 3,700 m^2 urban park with lush green spaces and flowing water features to create a connected, work-live-play precinct with a holistic approach to environmental sustainability, health and well-being.

We were proud to witness MSQ taking its place on the Melbourne skyline with its first two skyscraper towers achieving its topping out milestone in 2020 at 236.7m and 184m, respectively.

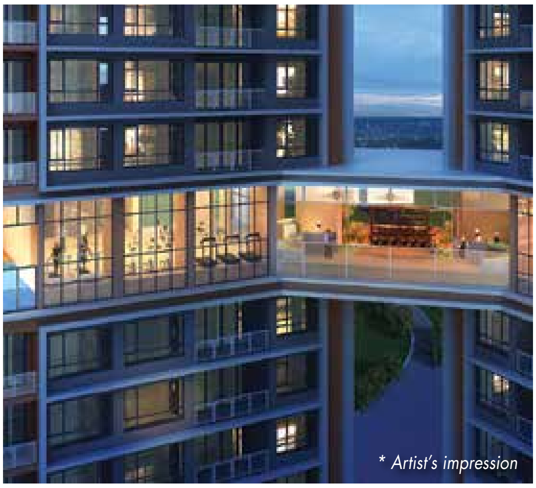
The completed 3,700 m^2 Melbourne Square Park in MSQ contributes to better quality of life for the community.

The launch of MSQ Woolworths supermarket by The Lord Mayor of the City of Melbourne, Sally Capp (second from right).

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Agile Mont Kiara in Mont Kiara, Kuala Lumpur.
* Artist's impression

* Artist's impression



* Artist's impression

Our associate, Yarra Park City Pty. Ltd. ("YPC") successfully completed and handed over three separable portions of MSQ Phase One, together with the 6,200 m^2 retail centre and 3,700 m^2 public park, effectively recognising its maiden profit during the year. Settlement for the final batch of completed apartments is expected to take place in 1Q2021, together with the final batch of amenities including the premium amenities on Level 54, swimming pools, gymnasium, music room, dining lounges, games room, cinema, golf simulation and others. This marks the completion of Phase One of MSQ.

We are pleased to report that the Perth-based investment group Primewest has signed a sales and purchase agreement to acquire our newly completed two-level urban retail centre in MSQ in December 2020 for a purchase consideration of AUD$70.0 million (approximately RM216.3 million) for their Daily Needs Trust, which invests on behalf of Singapore's Government Investment Corporation ("GIC"). The retail centre is features a full-line Woolworths supermarket, a range of specialty eateries, as well as a childcare centre. Besides making its mark as Victoria's first double-storey supermarket, the supermarket also created over 100 new jobs in the community amidst these difficult times. The sale of the retail centre is targeted to be completed by the end of 1Q2021.

Land banking for sustainable growth

Looking ahead, in spite of present challenges in the property market, the Property Development Division took cognisance of the importance of replenishing its land bank to ensure we have sustainable project pipeline for future growth, especially in the Klang Valley area. The Management conducts careful feasibility studies and deliberations before any decision to purchase new land is made.

During FY2020, the Group completed the acquisition of a piece of leasehold land in Taman Melawati measuring 2.9 acres and another piece of freehold land in Puchong measuring 27.8 acres for a total purchase consideration of RM146.0 million.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Both pieces of land are earmarked for the development of residential projects, namely LEA by the Hills in Taman Melawati and Shorea Park in Puchong, will be delivered over a few phases. These projects will have a combined estimated GDV of RM1.6 billion. LEA by the Hills and Phase One of Shorea Park-Mira are targeted to be launched in 2Q2021.

The Group will continue to pursue strategic land banking opportunities to sustain our long-term growth. As at end-FY2020, the Group has a total land bank of 1,387 acres of developable land with a combined estimated GDV of RM11.2 billion in Malaysia and RM2.2 billion in Melbourne, Australia (representing OSK's effective share in the MSQ project).

Key Risks	Mitigation Measures
• General slowdown in the Malaysian and Australian property market, and stiff competition due to oversupply.	• We focus on developing quality homes at a competitive price range in Malaysia. • We have a diversified portfolio comprising high rise residential developments and landed townships in Malaysia. • MSQ has been planned as a unique product offering that differentiates it from other projects in Melbourne, as it is an integrated development with a retail podium, a hotel, an office tower and a park all within one city block. • Our sales and marketing team has embarked on a new sales approach leveraging virtual platforms including social media to reach out to prospective homeseekers. • We ensure that we deliver consistent quality and value for all the homes that we build and handover to our homebuyers.
• Potential threat of the spread of COVID-19 in OSK Property's head office and sales galleries.	• Our risk-based COVID-19 preventive approach is differentiated into two tiers i.e. employees and customers. All OSK Property employees are equipped with the necessary skills and resources to work from home throughout the COVID-19 MCO period in a rotation system. This is complemented by strict personal hygiene controls and social distancing measures at home and in the office. • We continue to ensure the availability of our Customer Care team across all our project sites. For customers who choose to visit us during MCO, we ensure full compliance to all SOPs issued by the Government, in terms of MySejahtera contact tracing, elevated hygiene practices and social distancing.
• Operational disruptions caused by the imposition of various movement restrictions by the Government i.e. MCO, CMCO and RMCO.	• We ensure the team upholds operational efficiency and effectiveness through work from home and rotation arrangements, supported by authorisation letters when employee movements are necessary, while adhering to applicable SOPs.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Outlook for 2021

On the local front, the successful rollout of Malaysia's COVID-19 vaccination programme will be among the key determining factors that will influence the country's economic and sentiment recovery. We foresee FY2021 to remain challenging for the Property Development Division due to prevailing structural issues, such as the ability of purchasers to obtain end-financing (linked to population income levels), oversupply in certain market segments, and the affordability of property offerings. As Malaysia gradually enters the economic recovery phase, the market is predicted to remain neutral in the immediate post-pandemic future.

As affordability remains a key focus in homeownership today, it is important that we continuously add value to all our projects by incorporating elements that promote a sustainable community and support property values over time such as green living, sustainability-driven design and features, transit oriented, and the availability of a broad range of public amenities.

In FY2021, OSK Property will be introducing "Essential Homes" that are affordably priced at strategic locations. Essential Homes are what we define as developments that are focused on fundamental values of quality and value, complemented by key facilities with a good balance of natural greenery, sustainable features and the convenience offered by surrounding amenities.

Essential Homes will be featured in the upcoming launches of LEA by the Hills and Iringan Bayu. Plans for the 28-acre Shorea Park masterplan in Puchong South will be unveiled in due time. Our new products will be innovative and carefully thought through to suit the needs of the market, while ensuring affordability.

> The Group's planned launches in FY2021 will deliver a combined GDV of **RM1.3 billion** covering projects in Klang Valley, Seremban, and Sungai Petani.

The Group's planned launches in FY2021 will deliver a combined GDV of RM1.3 billion covering projects in Klang Valley, Seremban and Sungai Petani.

The economic condition in Australia in the coming year is expected to be challenging, underpinned by the scaling back of social support by the Government, such as the JobKeeper and JobSeeker schemes. The projected Net Overseas Migration ("NOM") rate in Victoria is expected to decline significantly giving rise to weaker rental demand in the Central Business District ("CBD") and neighbouring CBD precincts.

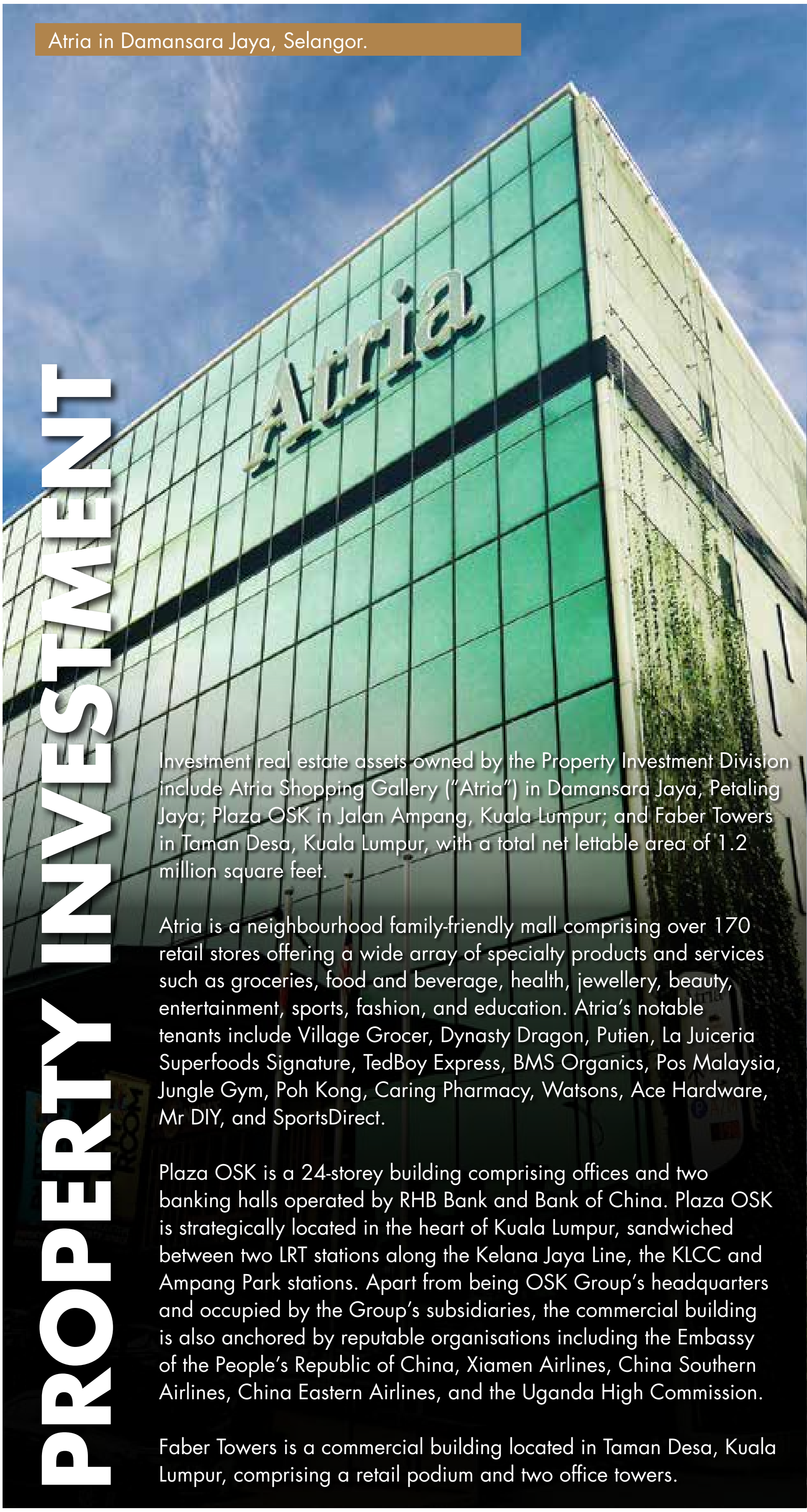
On the positive side, record-low interest rates with the RBA reducing the cash rate to 0.1% in FY2020 will raise homebuyers' purchasing power and support stronger demand. The proposed scrapping of responsible lending laws from 1 March 2021 onwards may lead to less burdensome credit rules that may speed up loan approvals. The COVID-19 pandemic is seen to be generally well-managed by the Victorian government and there has been an uptick of optimism seen across the community, as the vaccine rollout takes place.

Following the full completion of Phase 1 of MSQ, we will focus on selling the remaining inventories of residential apartments, concluding the settlement of units bought by purchasers and planning for the future phases of MSQ.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.atria.com.my/ http://www.fabertowers.com.my/

PROPERTY INVESTMENT



Atria in Damansara Jaya, Selangor.


Plaza OSK in Kuala Lumpur.


Faber Towers in Taman Desa, Kuala Lumpur.

Investment real estate assets owned by the Property Investment Division include Atria Shopping Gallery ("Atria") in Damansara Jaya, Petaling Jaya; Plaza OSK in Jalan Ampang, Kuala Lumpur; and Faber Towers in Taman Desa, Kuala Lumpur, with a total net lettable area of 1.2 million square feet.

Atria is a neighbourhood family-friendly mall comprising over 170 retail stores offering a wide array of specialty products and services such as groceries, food and beverage, health, jewellery, beauty, entertainment, sports, fashion, and education. Atria's notable tenants include Village Grocer, Dynasty Dragon, Putien, La Juiceria Superfoods Signature, TedBoy Express, BMS Organics, Pos Malaysia, Jungle Gym, Poh Kong, Caring Pharmacy, Watsons, Ace Hardware, Mr DIY, and SportsDirect.

Plaza OSK is a 24-storey building comprising offices and two banking halls operated by RHB Bank and Bank of China. Plaza OSK is strategically located in the heart of Kuala Lumpur, sandwiched between two LRT stations along the Kelana Jaya Line, the KLCC and Ampang Park stations. Apart from being OSK Group's headquarters and occupied by the Group's subsidiaries, the commercial building is also anchored by reputable organisations including the Embassy of the People's Republic of China, Xiamen Airlines, China Southern Airlines, China Eastern Airlines, and the Uganda High Commission.

Faber Towers is a commercial building located in Taman Desa, Kuala Lumpur, comprising a retail podium and two office towers.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

Operating Environment

Overall commercial property space for retail and office, which had already been facing a supply-demand imbalance before the COVID-19 pandemic, underwent a challenging year in FY2020. The COVID-19 crisis has transformed how people behave across all spheres of life from work and education to shopping, entertainment and personal well-being.

Notably, the accelerated shift towards remote working coupled with businesses actively seeking to reduce or put on hold non-essential expenditure by downsizing or relocating to more cost-friendly spaces led to subdued demand for large, prime physical work spaces. At the same time, shifting consumer preference towards online shopping and e-commerce, and lesser shopping trips compelled brick-and-mortar retail spaces and shopping malls to innovate and reinvent the way they operate, whilst adhering to SOPs prescribed by the Government.

The pandemic also resulted in significant pressure on mall landlords to provide rental rebates and concessions to help tenants cushion the immediate impact of lower footfall, temporary closure (for non-essential businesses during the initial phases of MCO), weaker spending and reduced customer capacity to comply with safe distancing requirements. In view of the uncertainty, tenants were also increasingly opting for shorter-term tenancies with more attractive rental packages to stay agile.

Financial Performance

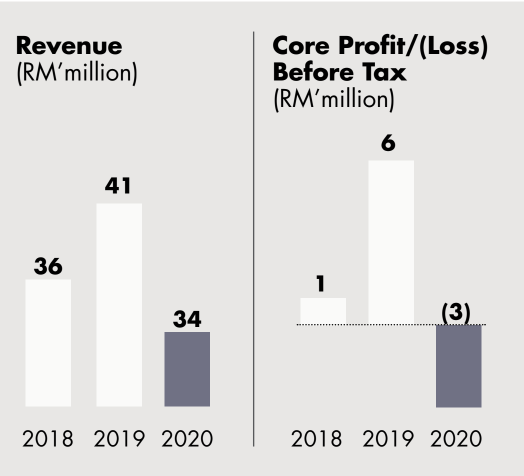
Atria's footfall experienced a significant year-on-year drop in FY2020 due to COVID-19 pandemic. Recognising the challenging operating environment faced by mall tenants, the Management implemented a rental support scheme where rental concessions and rebates were extended to deserving tenants across all our investment properties.

This had resulted in lower revenue for the Property Investment Division from RM40.5 million in FY2019 to RM33.8 million in FY2020, and a LBT of RM30.2 million in FY2020 from a PBT of RM6.1 million in FY2019.

In response to the situation, the Group had taken a prudent approach to allocate a total impairment sum of RM36.9 million to account for impairment losses of assets and potential losses from recoverable rental or debts.

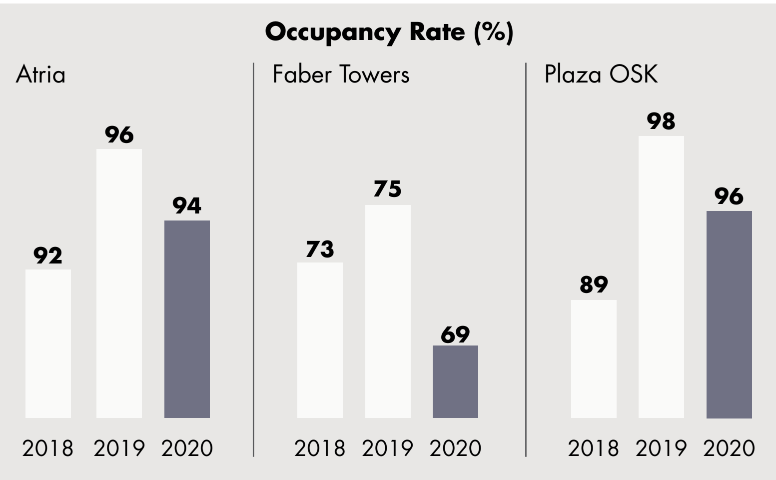
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

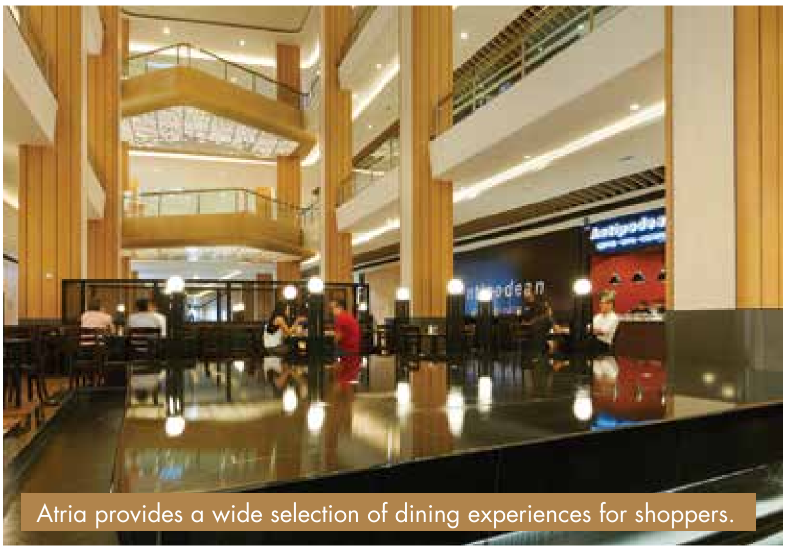
Financial Metrics



> Atria's occupancy rate remained encouraging at 94% as at end-FY2020.

Performance Metrics




Atria provides a wide selection of dining experiences for shoppers.

Key Initiatives & Business Updates

Atria

During the year, Atria went beyond providing a conventional retail experience by hosting a variety of social and family-oriented events to attract footfall and quality tenants. In September 2020, we hosted the "Remember Me" Purple Ribbon fundraising campaign for the Alzheimer's Disease Foundation Malaysia ("ADFM") in partnership with OSK Foundation to commemorate the World Alzheimer's Month and to raise awareness about dementia in the community.

Despite the challenges faced as a result of the unprecedented COVID-19 pandemic, the mall's occupancy rate remained encouraging at 94% as at end-FY2020. We also managed to secure new reputable tenants to provide new shopping experiences for our shoppers including PuTien, Xi Fertility & Women's Health TCM Centre, Little Eat, Co X XIX Co-working space, and Grand Watch.

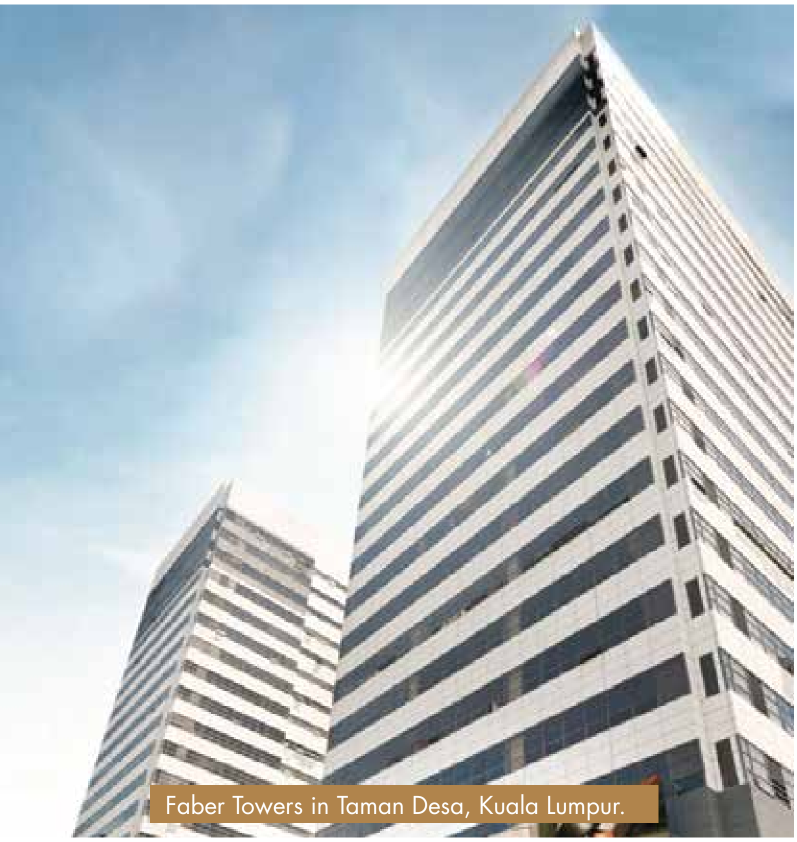
Faber Towers

Amidst the soft office and retail space environment, the Management embarked on various measures to maximise rental yield. Spaces previously reserved for business meetings and events were repurposed to enhance its flexibility to cater for various short and long-term rental needs.

With businesses opting to save costs throughout the MCO period, we refitted office spaces into more flexible layouts with fresh modern designs at reasonable rates for smaller-sized enterprises.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Atria hosted the "Remember Me" Purple Ribbon fundraising campaign, held in conjunction with World Alzheimer's Day 2020.


Faber Towers in Taman Desa, Kuala Lumpur.

Plaza OSK is located in Jalan Ampang, Kuala Lumpur.

Plaza OSK

The property management team in Plaza OSK performed well in FY2020, as we maintained an overall occupancy rate of 96% by retaining our existing key tenants.

Among the factors that contributed to our success was maintaining a trusted and close working relationship with our tenants by providing value-added support and ensuring their safety at all times during the crisis. Some of the measures taken include the installation of a disinfection chamber for visitors, the modernisation of the building's lift system with a state-of-the-art destination control system, and the refurbishment of ageing restrooms scheduled for FY2021.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
• Weaker retail and office rental demand due to oversupply in the market.	• We continuously run innovative campaigns to draw footfall to Atria. Over the years, this has produced encouraging results for us and our tenants. • Plaza OSK is uniquely located in the central business district of Kuala Lumpur, with excellent public transport amenities. This has resulted in our building being consistently well sought after by tenants. • We have invested significant amounts of capital to upgrade Faber Towers to draw in new tenants. The retail offering in the podium of Faber Towers helps draw tenants who want to work in a convenient location with lifestyle amenities.
• Risk of tenants' businesses being impacted by the COVID-19 pandemic.	• We assisted some tenants by providing rental relief and supported their businesses through social media and cross-marketing campaigns. We were also committed to being a reliable business partner for our tenants by continuing to serve the community throughout the MCO period, while ensuring high maintenance standards and hygiene upkeep for all key amenities within the premises.
• Risk of potential spread of COVID-19 in premises of our investment assets, especially those with high human traffic such as Atria.	• The Group's two-tier risk mitigation approach was employed where Atria employees were placed on a work rotation system and the implementation of strict personal hygiene controls and social distancing measures at home and in the workplace. • The mall's security, concierge, cleanliness and maintenance functions were briefed on the latest SOPs requirements and the necessary actions were taken to ensure full compliance, which include MySejahtera contact tracing, elevated hygiene practices and social distancing.
• Operational disruptions caused by the imposition of various movement restrictions by the Government i.e. MCO, CMCO and Recovery MCO ("RMCO").	• Strict supervision on operational hours was carried out to ensure that our mall and commercial buildings' services continued undisrupted throughout the crisis. We ensured that all staff movements were supported by authorisation letters when employee movements are necessary, while adhering to applicable SOPs.

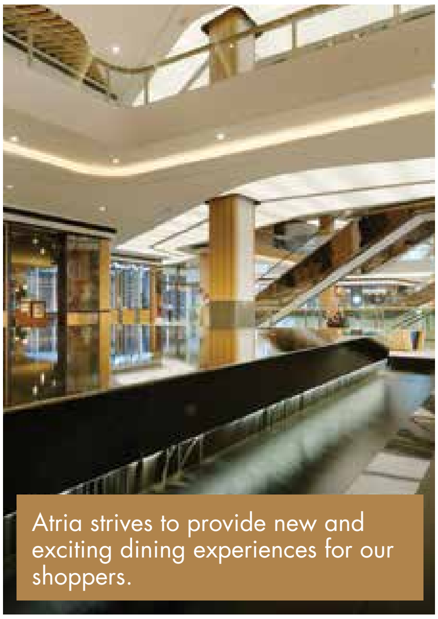
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Outlook for 2021

Moving forward, FY2021 heralds a deep shift in consumer behaviour, one where social distancing, stricter levels of hygiene, technology and online platforms will play a prominent role.

Since the beginning of MCO in March 2020, we saw an increase in demand for food delivery services, creating new opportunities for cloud kitchen and on-demand food and beverage ("F&B") services.

Atria is well-positioned to capitalise on this new trend with its diverse F&B offerings and is poised to regain its growth momentum in 2021 leveraging on **innovative dining experiences** offered by its tenants.



Atria strives to provide new and exciting dining experiences for our shoppers.

Concurrent with the growing popularity of online and e-commerce services, we expect a gradual recovery in Atria's footfall in the coming months, in line with the nationwide rollout of the vaccination programme and the offerings that we provide.

We foresee the influx of new office and retail spaces within the vicinity of our commercial investment assets to continue to exert pressure on occupancy and rental rates. On the whole, we expect our office occupancy rates to remain stable in the year 2021 and will continue to invest in building improvement initiatives to provide value-added services and convenience for our tenants and shoppers.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.oskgroup.com/businesses/

FINANCING SERVICES

Capital Financing

OSK Capital Sdn Bhd is the financial services arm of the Group and is licensed under the Moneylenders Act 1951 (Act 400) by the Ministry of Housing and Local Government.

As an established non-bank capital financing provider for the business community, our Capital Financing Division provides short-term financing to corporates, businesses and individuals for the purposes of equity investments, bridge financing, and working capital requirements.

Equity Investment in RHB Bank Berhad

Our strategic equity stake of 10.13% in RHB Bank Berhad is a long-term strategic investment for the Group. The equity stake generates stable and recurring cash flows for the Group via dividends declared and paid by RHB Bank Berhad.

Operations Review

Operating Environment

The COVID-19 pandemic and the ensuing movement restrictions from the MCO had affected the capital financing business during the year, with lengthening turn-around-time in credit processing and loan disbursements, as a result of the SOP measures practised during the period.

Amidst a more challenging market, our capital financing arm was able to work out innovative financing solutions for our customers to meet their funding needs. This led to a year-on-year growth of 6% in our capital financing portfolio from RM777.2 million as at end-FY2019, to RM822.9 million as at end-FY2020.

At the same time, the team also took the opportunity to further strengthen our relationship with deserving and reliable customers by restructuring and/or rescheduling their loan obligations, as a show of support during these trying times. Where applicable, we extended additional financing for our existing customers with the right conditions to assist them in their financing needs.

Financial Performance

The Capital Financing Division delivered a record-high PBT of RM50.2 million in FY2020 (FY2019 RM34.4 million), a significant increase of 46% or RM15.8 million compared to FY2019. The Division's revenue grew year-on-year by 24% to RM86.6 million (FY2019: 70.1 million).

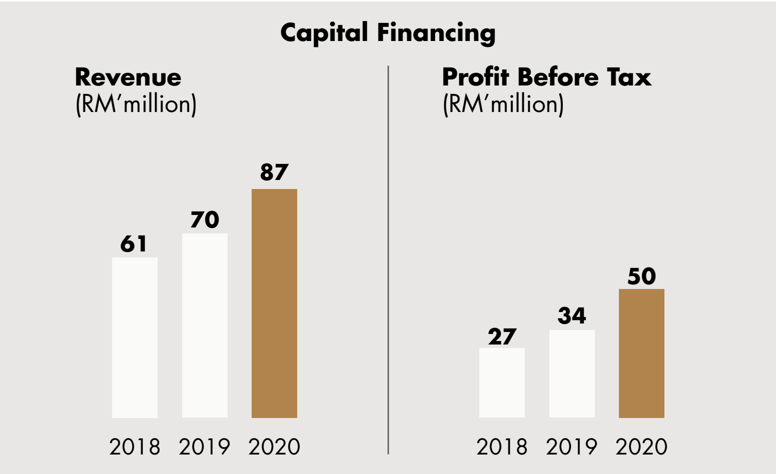
The improved performance of the Division was due to an increase of the team's sales and marketing activities to cater for a wider range of customers, and our ability to replenish and/or disburse new loans to replace those that matured or were repaid.

Strategic Equity Investment in RHB Bank Berhad

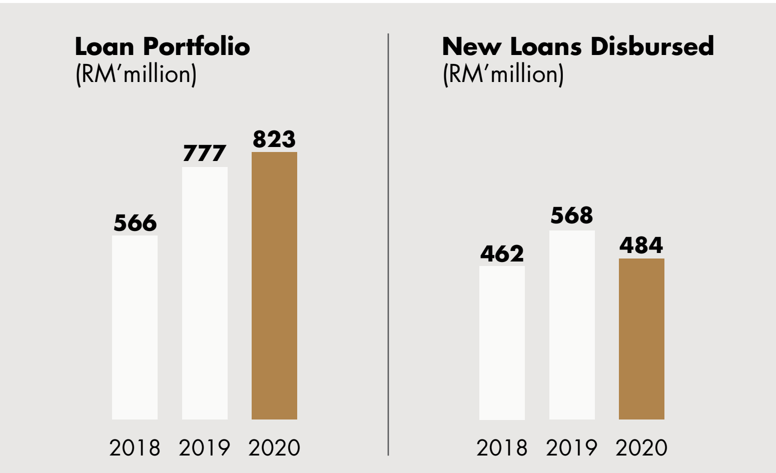
The Group received total cash dividends of RM75.1 million from our stake in RHB Bank Berhad (FY2019: RM107.1 million, including capital distribution of RM3.5 million from successful liquidation of RHB Capital Berhad). During the year, we also recognised a share of profits from our stake in RHB Bank Berhad of RM196.3 million (FY2019: RM234.1 million).

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics



Performance Metrics



Key Initiatives & Business Updates

In an effort to capture a bigger slice of the non-bank financing market, the Capital Financing Division strengthened our sales and marketing team and grew our business network to reach out to a wider range of customers.

We continued to practise a stringent credit evaluation and complete risk assessment process for all our loans. We also have a strong emphasis on the quality of loan collaterals and know-your-customer ("KYC") processes. The team takes a proactive approach in engaging our customers to further understand their needs following our loan disbursements, and seek valuable feedback to improve our services.

Operating in an unprecedented year, additional resources were put in place to review the status of our financing portfolio, and extend additional support to our customers where applicable based on our internal assessment criteria.

The concerted effort and active management of our financing accounts had resulted in minimal cases of non-performing loans, which stood at 1.9% as at end-FY2020, despite the challenging economic and operating environment.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
• Risk of non-performing loans.	• We practice a robust credit evaluation and approval process. • All of our loans are backed by sufficient collateral and are supported by clear repayment sources. • During the pandemic, the team kept in very close contact with all our customers to keep abreast of the impact of the pandemic on their business. Customers who suffered acute setbacks due to the pandemic were given additional support to help them get through this difficult period.
• Funding risk.	• The Group has dedicated adequate capital to support the growth of the loans' portfolio. • The Group has a central Treasury Management Center ("TMC") that sources for debt funding for all our business units. • By relying on the credit strength of the Group's diversified business base, the TMC is able to source for financing at reasonable rates, with suitable tenors to facilitate efficient asset-liability management.
• Potential risk of the spread of COVID-19 among OSK Capital employees, which may affect the operations of the Division.	• A risk-based approach was taken where employees were placed on an alternate work rotation system, complemented by strict COVID-19 preventive measures at the workplace and at home. • At the same time, we continued to engage our customers by providing support and services virtually throughout the pandemic. To cater for occasional physical discussions, we ensured strict compliance with the Government's SOPs in terms of elevated hygiene, zero physical contact and social distancing.
• Movement restrictions and SOPs practised during MCO could disrupt the efficiency and effectiveness of the team.	• All safety and preventive measures were fully adhered to during the processing and disbursement of loans to our customers. • Virtual connectivity played a significant role in the team productivity, as we continued to work from home in rotation (subject to work requirements), while ensuring full compliance with the Government's SOPs.

Outlook for 2021

Moving forward, we anticipate that traditional financing from commercial banks will remain challenging in view of the uncertainty ahead.

This provides an opportunity for our capital financing services to tap on customers and businesses looking for alternative financing with quicker credit approvals and disbursement.

> "The Division will be offering new credit facilities that comply with **Islamic principles,** as well as **factoring services.**"

In the year ahead, the Division's strategic priority is to continue to focus on our existing capital financing business by tapping into a broader market segment. In response to increasing demand for alternative financing options, the Division will be offering new credit facilities that comply with Islamic principles, as well as factoring services.

Pending further development in the current pandemic scenario, the team will remain vigilant of potential disruptions, uphold our lending policy, and maintain a prudent risk appetite.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.oskconstruction.com/

TimurBay Seafront Residences in Kemaman, Pahang.

CONSTRUCTION

OSK Construction is a reliable partner with a strong track record of timely and quality delivery. OSK Construction is a Class A and G7 contractor with Pusat Khidmat Kontraktor ("PKK") and the Construction Industry Development Board ("CIDB") respectively.

We take pride in the high-quality construction and building services that we provide, and are accredited with the MS ISO 9001:2015 – Quality Management Systems, MS 1722:2011, the OHSAS 18001:2007 – Occupational Health & Safety Management System by SIRIM and ISO 14001:2015 Environment Management System.

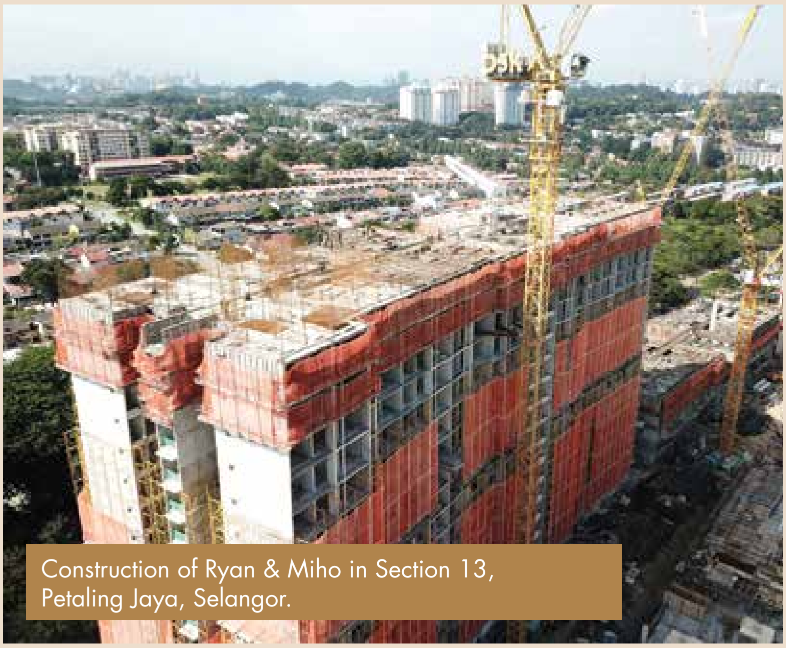
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

Operating Environment

The various consecutive stages of the MCO coupled with mandatory SOPs to curb the spread of COVID-19 led to challenges in meeting the construction progress of some of the projects undertaken by OSK Construction. Swift actions were taken by the Management team to address the demands of the "new normal" operating paradigm, while preventing potential spread of the COVID-19 at our work sites.

This included replanning of our construction schedules and reorganising our manpower, managing the supply of materials, and ensuring that our employees and workers carry out their work in a safe and controlled environment. In spite of the challenges faced, OSK Construction successfully completed and handed over Iringan Bayu's Phase 2B – Pastura, as well as Phase 2C and 2D – Astera, to our purchasers within the stipulated completion timeframe.



Construction of Ryan & Miho in Section 13, Petaling Jaya, Selangor.

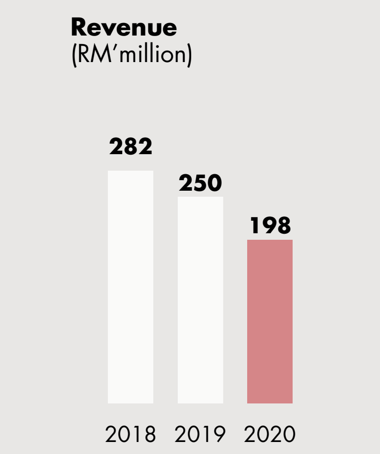
Financial Performance

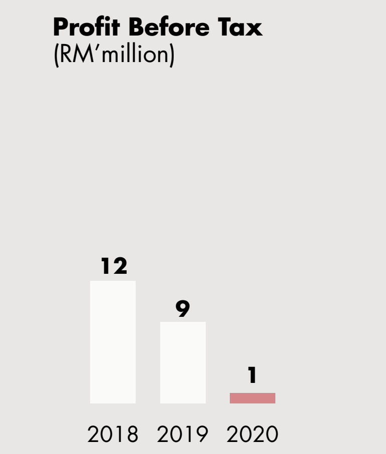
OSK Construction's order book comprises entirely of property development projects awarded by OSK Property. In FY2020, OSK Construction recorded a total revenue of RM197.5 million (FY2019: RM250.1 million) and a PBT of RM1.4 million (FY2019: RM8.5 million), representing a decline of 21% and 84% from a year ago, respectively.

Putting the year in perspective, the Segment's revenue in FY2020 was affected by a reduced outstanding order book from the slower-than-expected award of new construction contracts due to a more cautious approach in the launching of new developments amidst an uncertain environment.

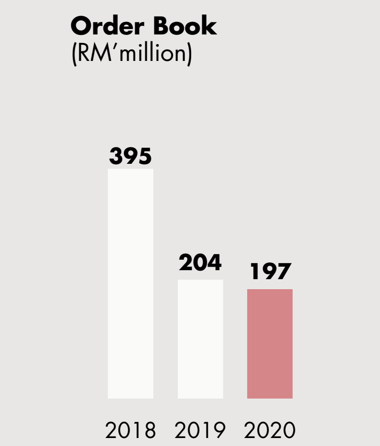
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

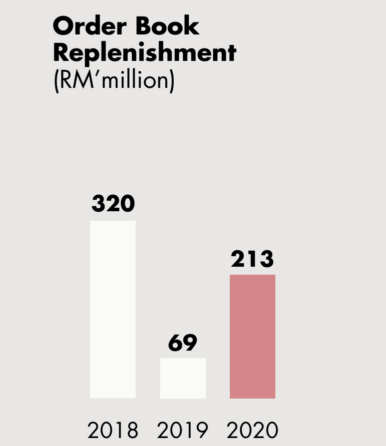
Financial Metrics





Performance Metrics





Key Initiatives & Business Updates

The prevailing oversupply of residential properties in the market had continued to impact the flow of new property launches during FY2020, as project owners remained cautious in launching new developments. This has led to intense competition among contractors in securing new construction orders in the open market.

In view of the situation, the Group had taken a strategic approach to divert OSK Construction's resources to focus solely on providing their expertise and value-added services to development projects undertaken by OSK Property.

In this respect, OSK Construction managed to secure approximately RM212.7 million worth of new projects in early FY2020, namely You City III's main building works and Iringan Bayu's Phase 3A. OSK Construction's outstanding order book stood at RM196.7 million as at end-FY2020.

The "Prop-Con" model, created to form a deeper collaboration between the Property Development and Construction Divisions with the objective of building and delivering quality products in a timely and cost-efficient manner, proved to be the right decision as OSK Construction successfully completed Iringan Bayu's Phase 2C and 2D ahead of time, and with QLASSIC quality scores of 77% and 75%, respectively, during the year.

A testament of OSK Construction's commitment to ensure the safety and well-being of our employees, vendors and workers, the Division garnered a four-star Safety & Health Assessment in Construction ("SHASSIC") rating (with a score rating of 85%) from the Construction Industry Development Board for our safety, health and environmental compliance efforts.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
• OSK Construction's sole client being OSK Property is potentially impacted by a slowdown in the award of new construction contracts.	• The team had reviewed our internal processes to optimise our workforce in line with our project development pipeline and to mitigate a slowdown in the award of new projects.
• Higher risk of the spread of COVID-19 in OSK Construction's construction sites due to lack of awareness and not adhering to SOPs.	• All OSK Construction employees were subjected to strict compliance of SOPs, including alternate work-from-home rotation arrangements, ensuring high levels of personal hygiene and practising social distancing at all times. • In addition to zero tolerance towards non-compliance of SOPs, all workers at our construction sites undertook COVID-19 swab tests before commencing work. Cases of potential COVID-19 infection are escalated immediately. We also carried out frequent sanitisation and temperature checks, implemented MySejahtera contact tracing, and ensured close supervision of the standard of hygiene at all workers' quarters, as well as circulation of COVID-19 memos, health updates and preventive measures to raise awareness among our workers and employees.
• Possible disruption to construction progress caused by movement restrictions throughout all stages of MCO.	• OSK Construction team effectively reorganised our resources and ensured that all construction backlogs were resolved to complete our projects ahead of schedule.

Outlook for 2021

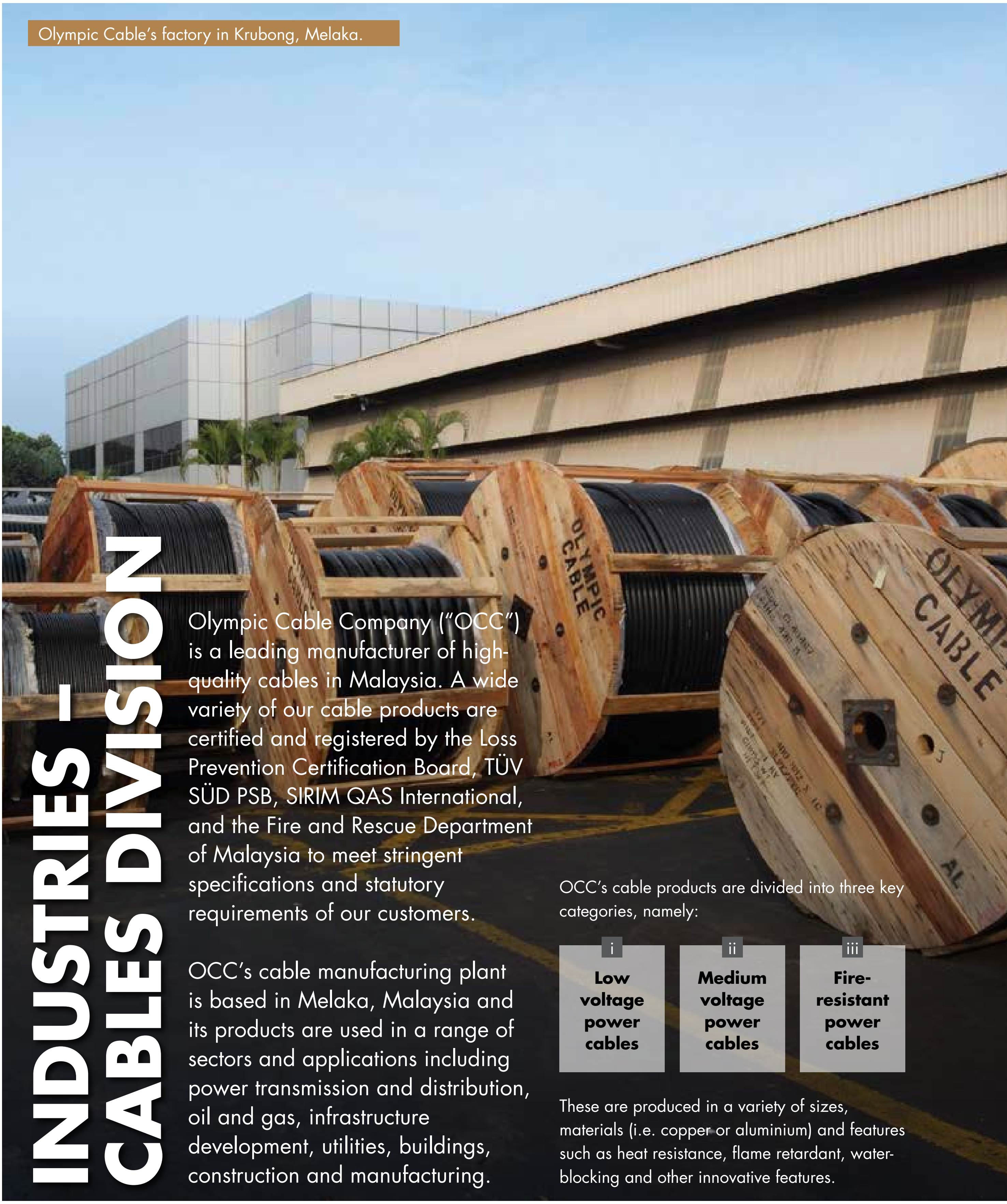
Moving on to FY2021, the Management recognises the value of building a comprehensive information database to empower and support data-driven decision-making.

> **Data capture** and **learnings** from past projects are important sources of insights that we will increasingly rely on, through the assistance of technology, to support future decision-making.

With better data analytics and intelligence, OSK Construction team foresees greater ability in optimising construction cost and time by minimising abortive works, ensuring design constructability, and more effective planning in the early stages of our development projects. This is carried out by OSK Construction through Early Contractor's Involvement ("ECI") under the Prop-Con Model.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.olympic-cable.com.my/



Olympic Cable's factory in Krubong, Melaka.

INDUSTRIES – CABLES DIVISION

Olympic Cable Company ("OCC") is a leading manufacturer of high-quality cables in Malaysia. A wide variety of our cable products are certified and registered by the Loss Prevention Certification Board, TÜV SÜD PSB, SIRIM QAS International, and the Fire and Rescue Department of Malaysia to meet stringent specifications and statutory requirements of our customers.

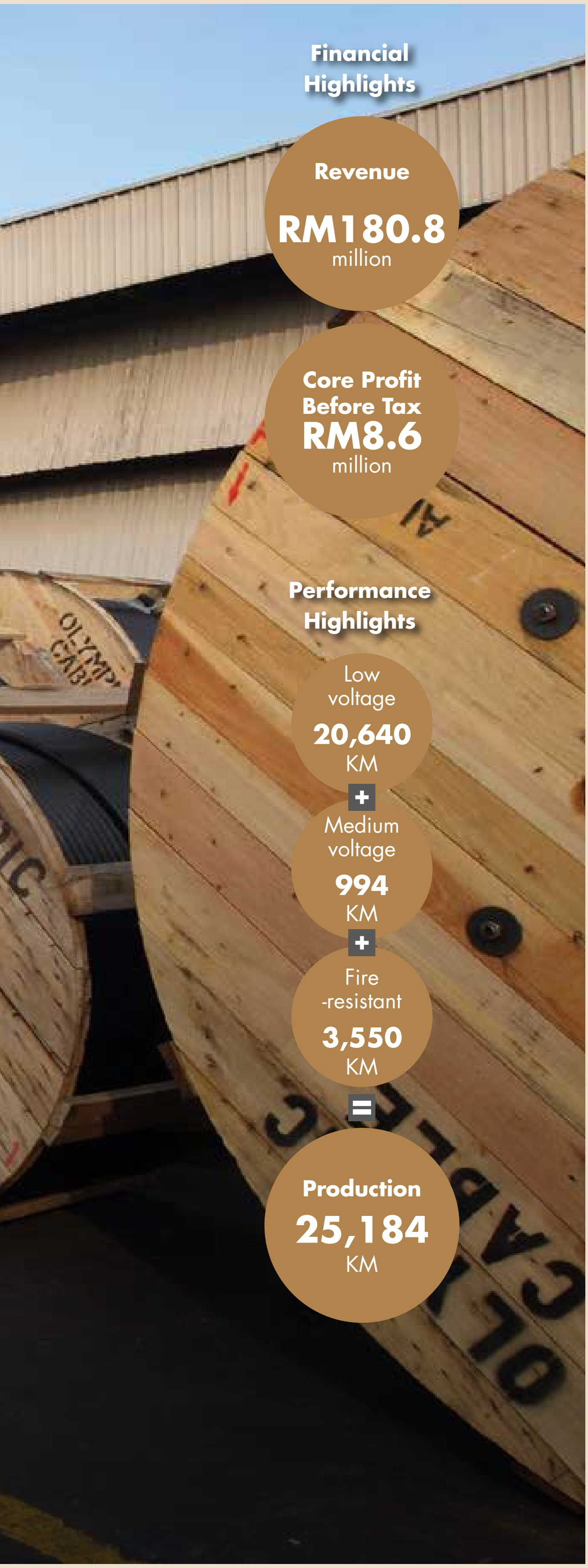
OCC's cable manufacturing plant is based in Melaka, Malaysia and its products are used in a range of sectors and applications including power transmission and distribution, oil and gas, infrastructure development, utilities, buildings, construction and manufacturing.

OCC's cable products are divided into three key categories, namely:

- i **Low voltage power cables**
- ii **Medium voltage power cables**
- iii **Fire-resistant power cables**

These are produced in a variety of sizes, materials (i.e. copper or aluminium) and features such as heat resistance, flame retardant, water-blocking and other innovative features.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS



Operations Review

Operating Environment

Operating under a challenging environment in FY2020, the Cables Division posted a near 32% year-on-year fall in sales attributable to the temporary shutdown experienced during the MCO period, and an overall slowdown in new development projects in both public and private sectors during the pandemic.

Financial Performance

In FY2020, OCC recorded a significantly lower revenue of RM180.8 million (FY2019: RM266.5 million) and a core PBT of RM8.6 million (FY2019: RM25.1 million), primarily due to the impact of the pandemic where the enforcement of the first phase of MCO necessitated the temporary closure of our manufacturing plant, as well as impact from other accompanying restrictions such as the stipulated number of working hours and the number of workers allowed in subsequent stages of the MCO.

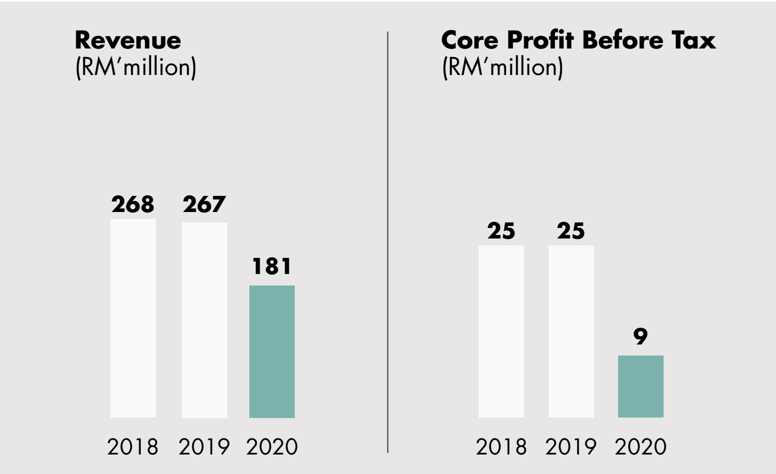
Despite a resumption of manufacturing activities in the later part of the year, we saw noticeably lower demand from customers due to fewer construction activities in the private and public sectors.

On 30 June 2020, OCC completed the disposal of its subsidiary, OVI and realised a total one-off gain of RM7.7 million (including foreign currency translation gain). This is excluded from the financial results stated above.

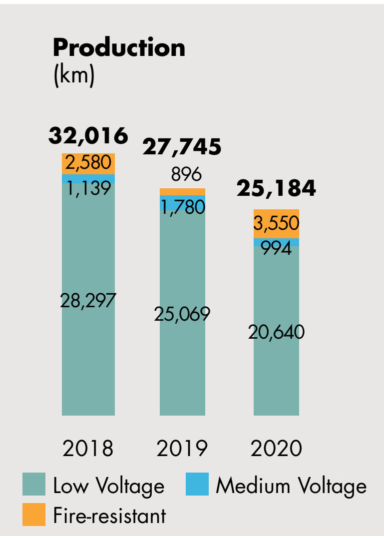
Olympic Cable produces a broad range of high quality cables for diverse industry segments.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics



Performance Metrics



"To address the high utilisation of our existing machinery, our Melaka factory is undergoing an expansion plan to increase its production capacity by 20-25% over the next few years."

Cables produced by Olympic Cable complies with all applicable standards and specifications to ensure quality excellence at all times.

Key Initiatives & Business Updates

To remain competitive in the market and to support the sustainable growth of the Division, we continued to carry out in-house research and development ("R&D") to improve the quality of our cables with an aim to increase the efficiency of our machines (through scheduled preventive maintenance to limit downtime), and to expand into new product segments that meet our customers' evolving needs.

Ensuring Product Competitiveness Through R&D

The Division had successfully pioneered the development and obtained endorsements for its new aluminium fire-resistant cables from various authorities and standard certification boards two years ago. The new product has since received good market response, and we expect to see stronger demand ahead due to its tangible cost advantage.

Increasing Our Capacity

Our manufacturing facility in Melaka had been operating at near full capacity in the past few years and, at times, had been unable to cope with additional demand from our customers. To address the high utilisation of our existing machinery, our Melaka factory is undergoing an expansion plan to increase its production capacity by 20-25% over the next few years. The adjacent new factory building has been completed and new machines are currently undergoing installation and acceptance tests.

Improving Production Processes and Expanding Our Reach

Operationally, we strive to constantly improve our factories' efficiency and employees are encouraged to propose new workflow and/or processes to facilitate continuous production improvement under the Japanese "Kaizen" philosophy. Progress is closely monitored and reported to the Management on a monthly basis.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Based on current market feedback, we believe we are in a strong position to expand our products in the market with our new aluminium fire-resistant cables, other new cable products in the pipeline, as well as our existing range of value-added offerings.

We are also expanding our reach by growing our sales and marketing team, and further strengthening our sales approach and customer service. Strict processes have been put in place to uphold product quality and addressing customers' feedback.

Key Risks	Mitigation Measures
• Lower demand for cables due to soft market sentiment in the property and infrastructure sectors.	• The team actively broadened its reach and enlarged its customer-base locally and regionally to recapture the market when demand recovers, while significant focus is placed on ensuring our production efficiency and product quality are maintained at all times.
• Potential spread of COVID-19 in OCC's office and production facility.	• All OCC workers underwent COVID-19 swab test before resuming work in the factory. All applicable SOPs related to COVID-19 safety were fully complied with in our production facility and living quarters including requiring workers to wear mask during work, social distancing, MySejahtera contact tracing, and conducting compulsory daily temperature checks for all workers and employees. We are pleased to note that zero cases of COVID-19 have been reported in our premises to-date. • Alternate rotation and work-from-home arrangements were in place for all employees, and all meetings were carried out virtually.
• Operational disruptions caused by relevant restriction requirements in various stages of MCO.	• In addition to ensuring that all applicable Minister of International Trade and Industry ("MITI") SOPs were fully complied with, our production team in the factory ensured that all orders were fulfilled within the required delivery timeline without delay. This was achieved through early production planning and close collaboration between our procurement, production, logistics and sales teams.

Outlook for 2021

We foresee the Division will continue to operate in a challenging environment in 2021.

Ensuring the safety of our employees, vendors and workers remain our topmost priority.

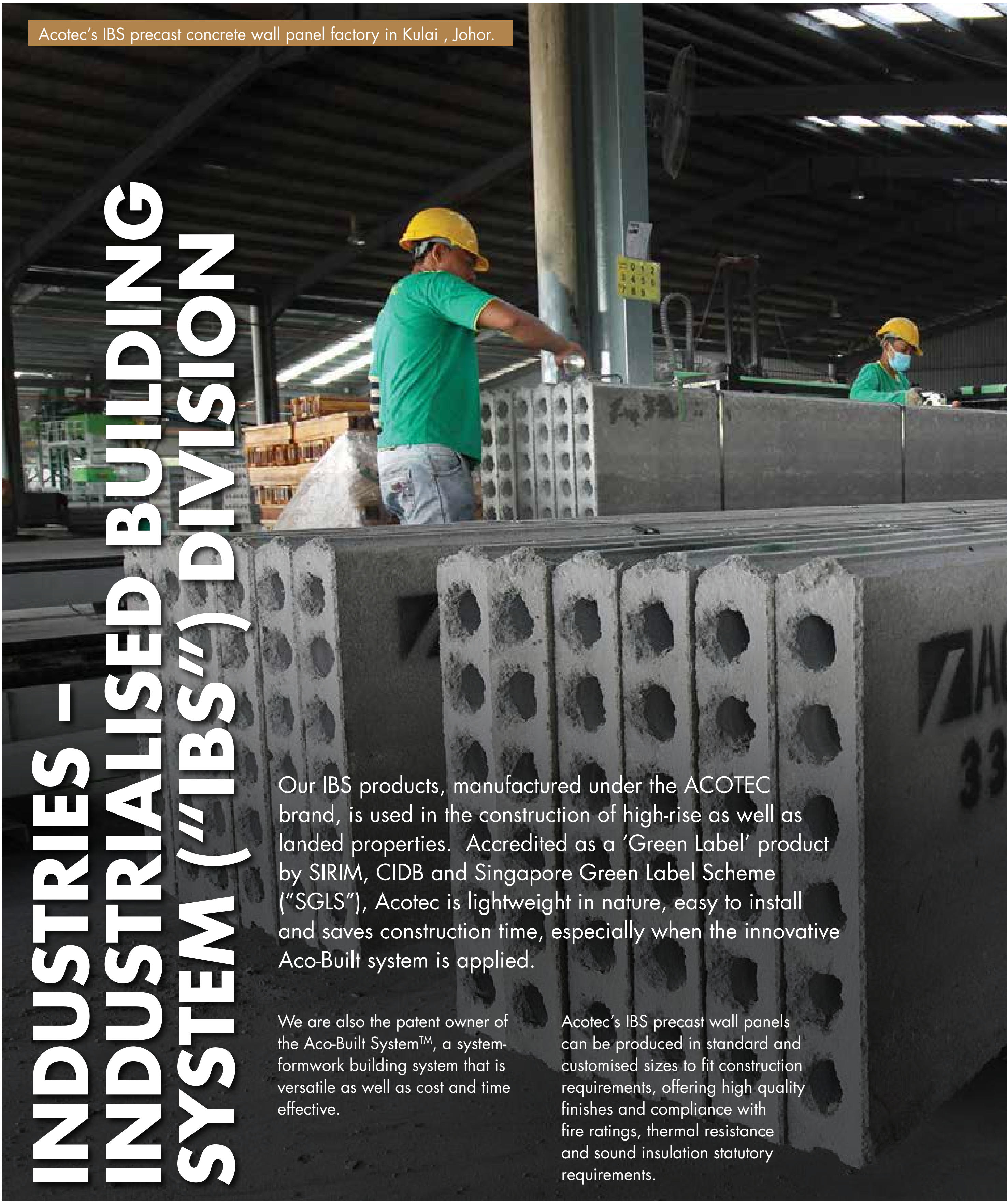
In addition, the Division's replenishment of new orders is to an extent dependent on the rollout of large-scale infrastructure projects which have been delayed or shelved, while recovery in the property and industrial sectors remain soft. Nonetheless, the Division will continue to tap on existing private and public sector projects and explore new export markets to secure new orders.

> "The Division will continue to tap on existing private and public sector projects and explore **new export markets** to secure new orders."

Aligning with the 'new normal' paradigm, the Division remains cautious on our prospects, and will formulate new pricing strategies and initiate cost optimisation programmes to further strengthen our competitiveness and retain our market share.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.acotec.com.my



Acotec's IBS precast concrete wall panel factory in Kulai , Johor.

INDUSTRIES – INDUSTRIALISED BUILDING SYSTEM ("IBS") DIVISION

Our IBS products, manufactured under the ACOTEC brand, is used in the construction of high-rise as well as landed properties. Accredited as a 'Green Label' product by SIRIM, CIDB and Singapore Green Label Scheme ("SGLS"), Acotec is lightweight in nature, easy to install and saves construction time, especially when the innovative Aco-Built system is applied.

We are also the patent owner of the Aco-Built System™, a system-formwork building system that is versatile as well as cost and time effective.

Acotec's IBS precast wall panels can be produced in standard and customised sizes to fit construction requirements, offering high quality finishes and compliance with fire ratings, thermal resistance and sound insulation statutory requirements.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

Revenue
RM22.8 million

Profit Before Tax
RM1.6 million

Performance Highlights

Metre-square Sold
604,069

Metre-square Produced
613,205

Operations Review

Construction of Iringan Bayu homes uses high quality precast wall panels from Acotec.

Operating Environment

Generally, FY2020 had been a challenging year given the lack of new construction and property projects, coupled with increasing downward pressure on prices.

New jobs flow from the property sector, both private and public, had been weak as project owners and developers focused on reducing existing completed inventories, while most new infrastructure and building works had been put on hold.

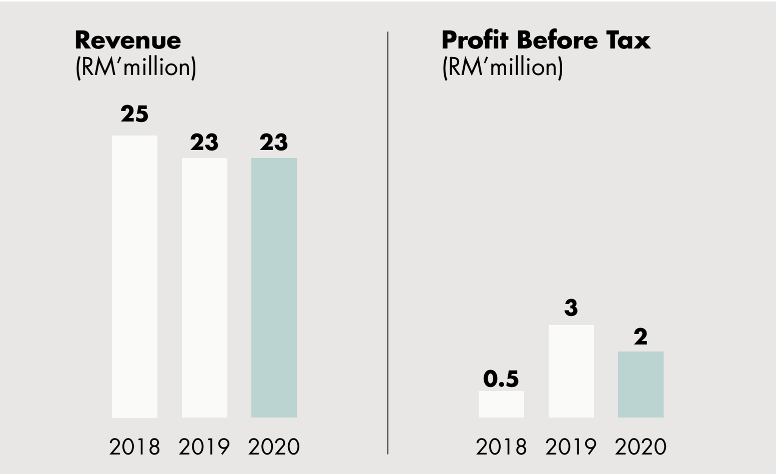
Financial Performance

The IBS Division recorded a revenue of RM22.8 million (FY2019: RM23.0 million) and a PBT of RM1.6 million (FY2019: RM2.7 million). The lower pre-tax profit was mainly a result of soft demand during the MCO period, in line with the slowdown in local construction and property development activities, and lower demand in the Singapore market.

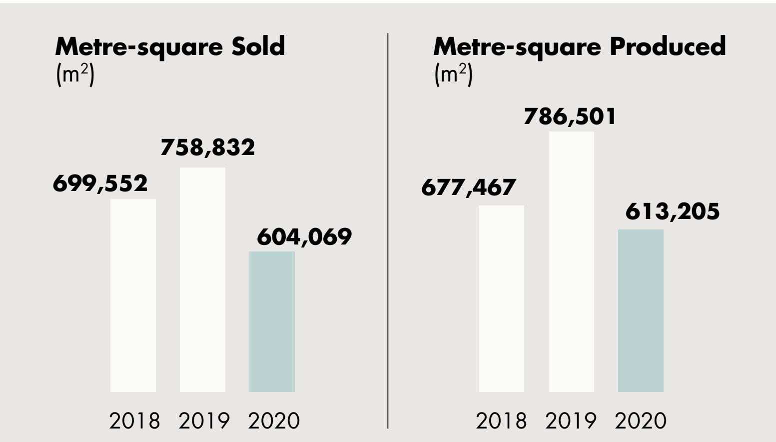
Amidst the soft sentiment, the IBS team worked to promote our supply-and-install services and continued to engage with our network of contractors to provide exposure and training on the Aco-Built installation system to further increase efficiency and cost savings in their projects.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics



Performance Metrics



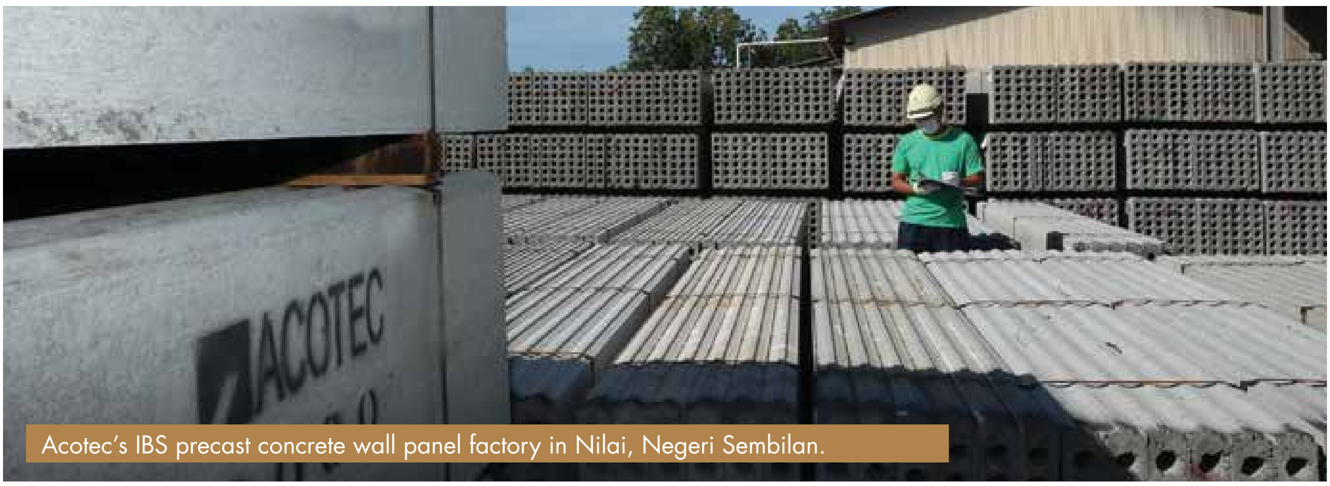
Order Book: 1.5 million m^2 (as at 31 December 2020)

Key Initiatives & Business Updates

Capitalising on increasing regulatory support and incentives by the Government to promote the utilisation of IBS components in development projects, Acotec positioned itself as a leading player in the sector by continuing to strengthen its delivery capability through better skills and end-to-end support ranging from architectural drawings and stockyard inventory to logistics and technical advisory.

Over the years, our in-house R&D team had carried out numerous tests and material adjustments, which enhanced Acotec's wall panel technology to suit our local weather conditions and the building needs of the regional market, while improving the efficiency of our installation system.

Recognising that the last mile installation is by far the most important step throughout the project completion process, the team continued to engage with our installation contractors to equip them with the right tools and skills to ensure the end product is of high quality, with minimal wastage and in accordance with the specifications required. This was implemented through on-site training programmes on structure installation methods.



Acotec's IBS precast concrete wall panel factory in Nilai, Negeri Sembilan.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
• A slowdown in wall panel demand due to weaker property and construction market conditions.	• The team has proactively adjusted its marketing strategies in alignment with the 'new normal' and continued to enhance its seamless one-stop solution to build its orderbook.
• Potential risk of the spread of COVID-19 in Acotec's office and production facilities.	• In compliance with MITI SOPs, all Acotec workers underwent COVID-19 swab test before resuming work in the respective factories. Additionally, strict supervision was carried out to ensure all COVID-19 preventive measures were fully complied with, including requiring all workers to wear mask during work, social distancing, daily temperature checks and MySejahtera contact tracing. Efforts were also made to ensure a conducive working and living environment for our workers through frequent sanitisation and elevated hygiene measures. • Rotating work-from-home arrangement was made available for employees, and all meetings were carried out online.
• Operational disruptions caused by the imposition of work restrictions during various stages of MCO.	• No significant operational disruptions were reported throughout the MCO period and all orders were produced, delivered and installed within the required completion timeframe without delay. This was achieved through close coordination and planning between our technical, procurement, production, logistics and sales teams.

Outlook for 2021

"The team is working to provide an **end-to-end one-stop services** to its customers encompassing structural design, supply and assembly to boost our order book."

Moving forward, we will continue to explore new markets in the region, widen our products range, and institute stringent cost control measures to ensure a better performance in the coming financial year.

In response to COVID-19 and the 'new normal', Acotec is adjusting its marketing strategies to suit new working conditions and communication with our customers. Notably, the performance of the IBS Division is contingent on the speed of recovery of the property development sector, and the commencement of new affordable home and public infrastructure projects by the Government.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://www.swissgarden.com

Swiss Garden Hotel & Residences Genting Highlands in Genting Highlands, Pahang.

HOSPITALITY – HOTELS AND RESORTS DIVISION

Our Hotels and Resorts Division comprises hospitality assets operating under our "Swiss-Garden" and "Swiss-Inn" brands, and are managed by Swiss-Garden International Hotels, Resorts and Inns ("Swiss-Garden International" or "SGI"). SGI's portfolio of six hospitality properties has a combined room inventory of over 1,900 rooms, multiple meeting facilities and an 18-hole golf course in Damai Laut, Perak.

The Group's Swiss-Garden International resorts are located in Kuantan, Damai Laut and Genting Highlands while our city hotels are situated in Kuala Lumpur, Melaka and Johor Bahru.

Operations Review

Operating Environment

The year 2020 was supposedly a big year with expectation of higher tourist arrivals to Malaysia in line with Visit Malaysia Year 2020. But the sudden COVID-19 outbreak brought the global tourism industry to a standstill as Governments across the world enforced drastic measures to contain the spread by closing borders and restricting activities, causing massive revenue and job losses.

In Malaysia, total tourist arrivals contracted by 83.4% to 4.33 million in FY2020 from 26.1 million in FY2019. During this time, the hotel sector was the hardest hit as prolonged low occupancies forced many hotels to close down and many had to implement pay cuts and/or lay off workers to survive.

In ensuring strict compliance towards SOPs where social gatherings were not encouraged, seating capacity in restaurants was capped, safe distancing was the norm, and inter-state and inter-district travel continued to be off-limits (those without approval), hotels were struggling to survive as pre-booked meetings, conventions, weddings and banquets were cancelled or deferred. Faced with the unprecedented challenge, the remaining Swiss-Garden International team members stood in solidarity to adapt, learn and find new ways to boost productivity in the new normal.

Financial Performance

In FY2020, the Hotels and Resorts Division recorded a revenue of RM26.9 million (FY2019: RM58.8 million) and a LBT of RM44.6 million, which included impairment loss on property, plant and equipment of RM16.8 million (FY2019: LBT of RM14.9 million).

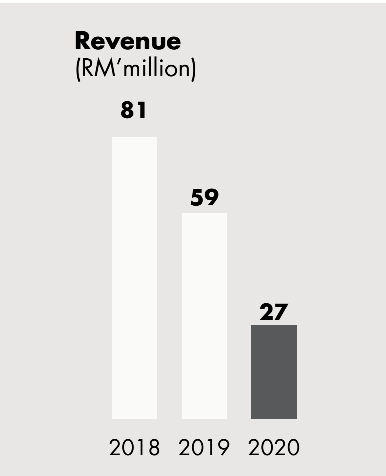
With the Malaysian hotel industry grinding to a complete halt in March 2020 and faced with the prospect of further losses, the Management was left with no choice but to close two of the Group's hotels, Swiss-Inn Sungai Petani and Swiss-Inn Chinatown Kuala Lumpur, and implement a cost rationalisation programme to reduce our workforce and minimise our headcount expenses. All affected employees were treated with respect and compensated in full in accordance with prevailing regulations within the Employment Act, where applicable. Concurrently, a comprehensive transition programme entailing reskilling workshops, stress management, job portal matching and internal redeployment was carried out with success.

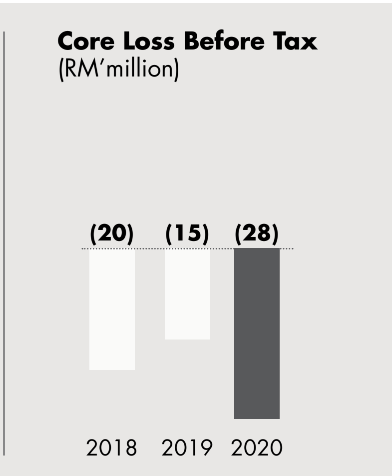
Having successfully registered with the Ministry of Travel, Arts and Culture ("MOTAC"), Swiss-Inn Johor Bahru was appointed as quarantine hotel for three months during the pandemic whereas Swiss-Garden Bukit Bintang was also selected to house Malaysians returning from overseas, for most part of FY2020.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

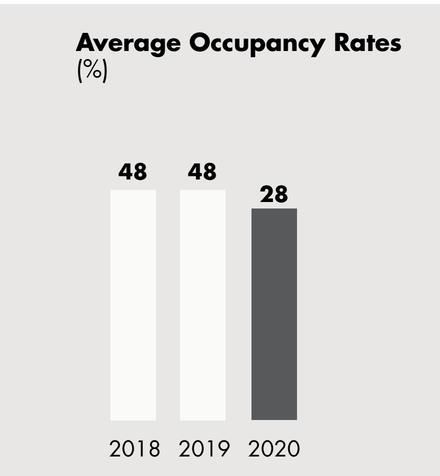
Swiss-Garden Hotels and Residences Genting Highlands and Swiss-Garden Beach Resort Kuantan, which closed temporarily during MCO since March 2020 were reopened in stages from 1 July 2020 with 50% room inventory. Despite an uptick in travel demand among domestic holidaymakers in 3Q2020, the recovery was short-lived when a high number of positive COVID-19 cases returned in the ensuing months and MCO 2.0 was imposed in 1Q2021.

Financial Metrics





Performance Metrics



"We are pleased to report that SGI Group had successfully re-certified our ISO 9001:2015 Quality Management System for a further three years, ending May 2023."


Swiss-Garden Beach Resort Kuantan in Kuantan, Pahang.

Key Initiatives & Business Updates

To further uplift the productivity of our operating assets, the team streamlined the manning structure for Swiss-Garden Beach Resort Kuantan and Swiss-Garden Hotel and Residences Genting Highlands, and reconfigured our sales team. This helped cushion the adverse impact of the pandemic as we were able to reduce headcount costs and still generate some income during this challenging period.

Partnered Leading International Hotel Chains

The rebranding process for Swiss-Garden International's two assets, namely, Swiss-Garden Beach Resort Damai Laut and Swiss-Inn Johor Bahru, commenced in 2020.

Upon the completion of refurbishment and renovation works in 3Q2021, Swiss-Garden Beach Resort Damai Laut will be known as DoubleTree by Hilton Damai Laut Resort; while Swiss-Inn Johor Bahru will be converted into a Holiday Inn Express and Suites operated by InterContinental Hotels Group ("IHG").

The above collaborations with the foregoing international hotel chains will further enrich the value proposition of Swiss-Garden International, which aspires to offer our guests the best of Malaysian hospitality.

Continuous Upgrading of Assets

Recognising the need to rejuvenate the look and feel of our other hospitality assets to maintain our competitiveness, a number of hotel rooms at Swiss-Garden Beach Resort Kuantan are in the process of being upgraded and refurbished. Once this is completed, the resort will be complemented with a contemporary interior and improved facilities.

Renewed ISO Certification

We are pleased to report that SGI Group had successfully re-certified our ISO 9001:2015 Quality Management System for a further three years, ending May 2023.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

The scope of the certification renewal is applicable to the provision of hotel management services in the areas of Human Resources, Procurement, Finance, Sales, Marketing, Marketing Communications, Reservations, Information Technology, and Operations Oversight. The re-certification is a continuous testament of our long-standing track record as an established hotel operator, and further solidifies our vision to be the preferred Hotel Management Partner.

Asset Rationalisation

The overall weak performance of the Division due to the significant reduction of tourists and vacationers during the pandemic had resulted in temporary closure of the operations of Swiss-Inn Sungai Petani in Kedah, as well as Swiss-Inn Chinatown Kuala Lumpur, along with a reduction of staff force and further payroll reduction programmes to manage the division's costs.

Key Risks	Mitigation Measures
• Economic impact and weak consumer sentiment due to nationwide lockdown and closing of international borders.	• To limit the impact to the division's bottom line when nationwide MCO first took effect on 18 March 2020, the Management decided to temporarily close all our hotels and resorts pending further clarity on the situation. This was followed by permanent closure of two of our hotels, and a cost rationalisation exercise to reduce our headcount and streamline our manpower cost. • In the meantime, two of our hotels were registered as quarantine hotels to generate revenue throughout the MCO period. Strategies are in place to recapture travel demand once MCO and border closures are lifted.
• Threat of COVID-19 transmission within the premises of our hotels and resorts.	• All MITI SOPs were fully adhered to by all operating hotels and resorts including requiring all SGI employees to wear mask during work, practising frequent sanitisation and social distancing, daily temperature checks, and implementing MySejahtera contact tracing at all physical contact points at the hotels. • All hospitality premises operated under reduced workforce, while all employees in SGI's head office were placed on rotating work-from-home arrangement and all meetings were carried out online.
• Disruptions to hotel operations caused by movement restrictions during the MCO period.	• No significant operational disruptions were reported throughout the MCO period as all SGI staff movements were authorised through MITI-approved letters, while crucial supplies and necessities were well stocked to ensure consistent and uninterrupted services for our hotel guests.

Outlook for 2021

The Hotels and Resorts Division expects the recovery of Malaysia's hospitality industry to be supported by domestic tourists, before the return of international tourists towards the end of 2021.

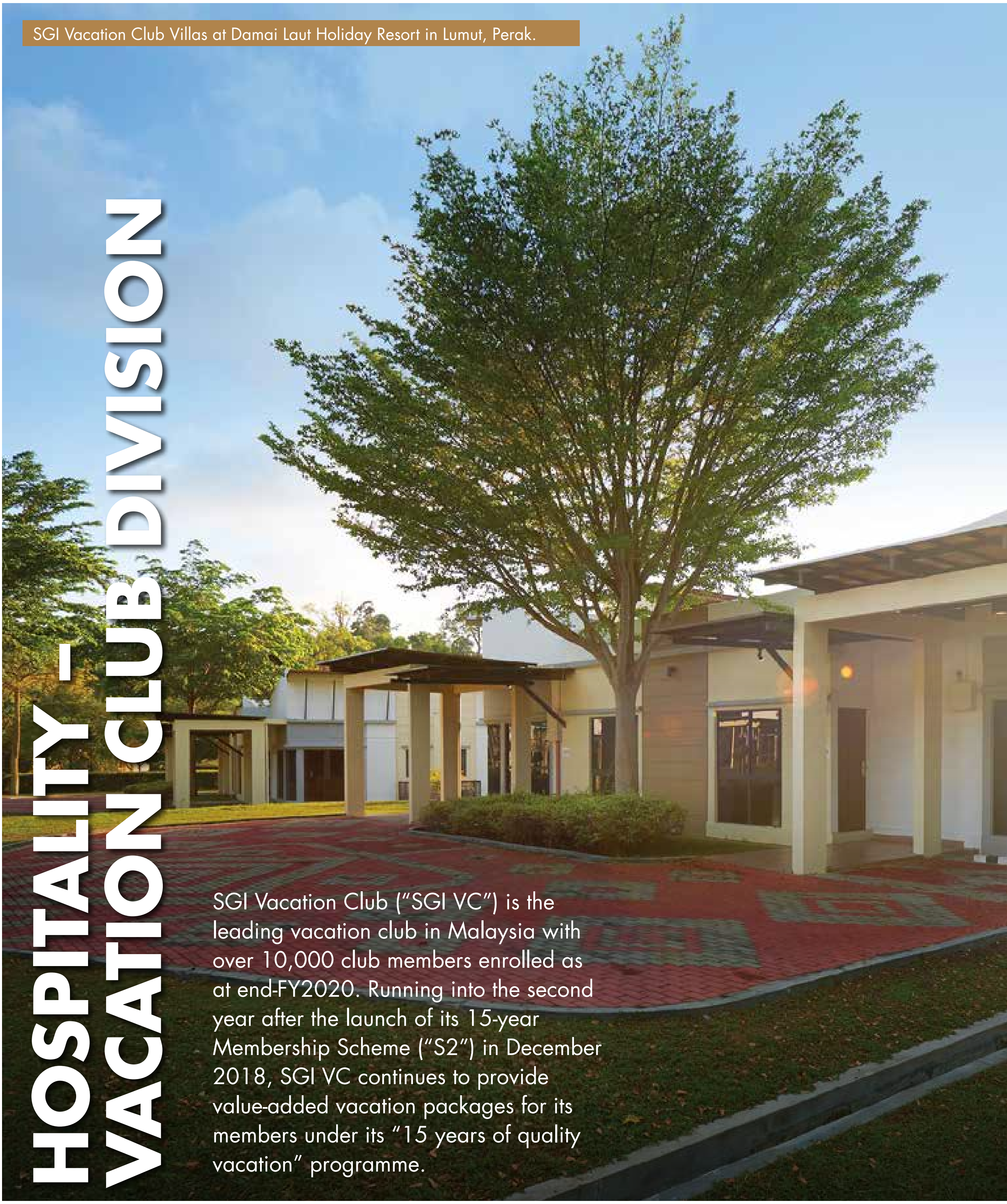
Apart from top priority placed on guests' and employees' safety, strategic management and pricing of room rates have been formulated to capture any improvement in demand when the opportunity presents itself in the coming year. We will also continue to pursue potential business opportunities with corporate and government entities.

> The Division will continue with its **lean operating approach** to lower our expenditure.

In the meantime, besides developing new marketing and sales strategies to increase occupancy, our Hotels and Resorts Division will continue with its lean operating approach to lower our expenditure and operate productively to minimise the continued impact of the weak tourism market.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

http://sgivacationclub.com/



SGI Vacation Club Villas at Damai Laut Holiday Resort in Lumut, Perak.

HOSPITALITY – VACATION CLUB DIVISION

SGI Vacation Club ("SGI VC") is the leading vacation club in Malaysia with over 10,000 club members enrolled as at end-FY2020. Running into the second year after the launch of its 15-year Membership Scheme ("S2") in December 2018, SGI VC continues to provide value-added vacation packages for its members under its "15 years of quality vacation" programme.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

Operating Environment

Similar to the Hotels and Resorts Division, the operating environment of the Vacation Club Division saw members being unable to utilise their room nights entitlement within the stipulated period, as a result of travel restrictions throughout the different stages of MCO. Sale of new memberships was also affected from 2Q2020 as consumers became more cautious in spending on non-essential services in times of uncertainty.

As the majority of our members are Malaysians, the closure of the country's international borders which led to the inability to access destinations where we have reciprocal accommodation arrangements had resulted in a spike in demand for locally-affiliated accommodations.

The shift towards domestic holidays coupled with our strong track record in providing memorable holiday experiences for our members has enabled the Division to capture a new demand segment last year. Capitalising on the club's new marketing strategy, we saw a gradual improvement in our vacation club membership take-up rate towards 4Q2020, recording a commendable total of 929 memberships sold in FY2020.

Financial Performance

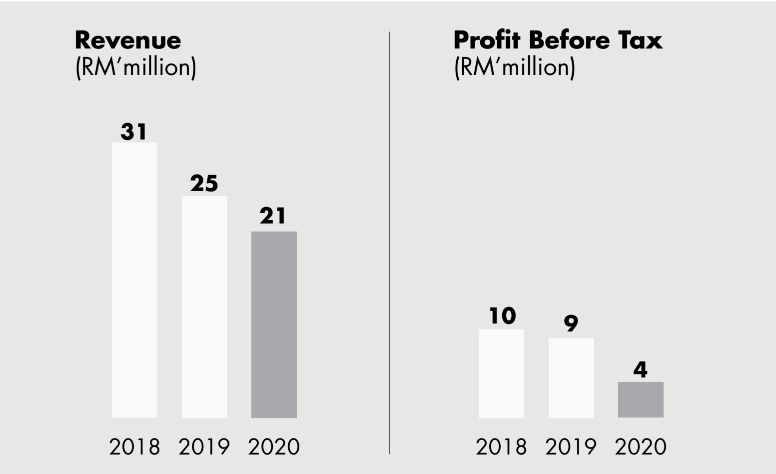
During FY2020, SGI VC's revenue declined year-on-year by RM3.4 million to RM21.3 million (FY2019: RM24.7 million); while PBT was down year-on-year to RM3.9 million (FY2019: RM8.6 million).

The weaker performance was due to soft membership sales in 2Q2020, as concerns over public safety and the economic well-being of the community heightened. The Division registered a 30% reduction in new memberships sold compared with FY2019.

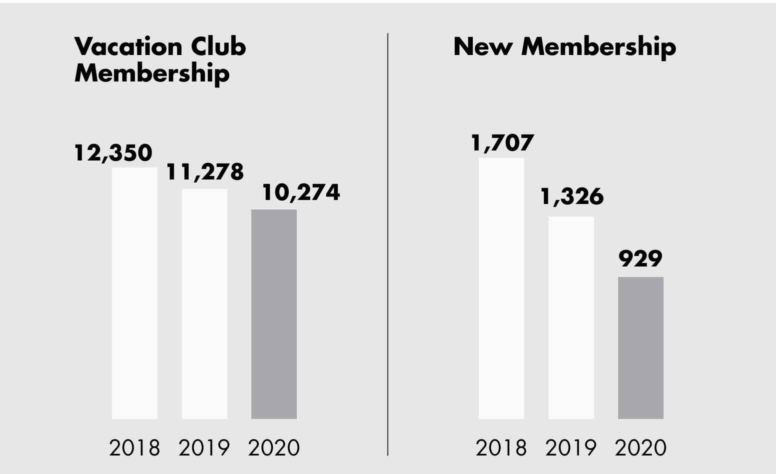
In anticipation of a challenging period ahead, the team took immediate actions including implementing cost optimisation measures to mitigate the impact to the business. This include reviewing our sales and marketing strategy by focusing on virtual tours and presenting to prospects via virtual platforms. To sustain our market leadership, SGI VC continued to strengthen its sales performance by venturing into new target segments, diversified its sales channels and formed strategic partnerships with overseas agents.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics



Performance Metrics



Key Initiatives & Business Updates

Despite a challenging operating environment, the team continued to form collaborations with new partners to provide value-added services for our members. These include exploring win-win partnerships with travel agencies for travel-related services, as well as merchants to provide attractive discounts for our members during their travels.

Improved Leads Generation

We worked with external affiliates and partners such as banks, travel agencies, telcos and property management companies to participate in their promotional campaigns to improve leads generation and capture new membership sales.

Focused on the Asian Travel Market

With our latest introduction of S2, which comes with a shorter membership duration of 15 years, we focused on promoting the value-for-money membership package to potential staycation and holidaymakers from Hong Kong and China. This initiative was unexpectedly interrupted by the outbreak of the pandemic. Nonetheless, we look forward to refocusing our efforts on this target segment once international borders are reopened.

TimurBay Seafront Residence in Kemaman, Pahang.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
• Negative impact due to nationwide MCO and the closure of international borders.	• The team embarked on a new sales approach via virtual platforms and broadened its marketing reach through participation in targeted consumer events and online campaigns with business partners.
• Potential risk of transmission of the coronavirus at our vacation premises.	• All travel and accommodation-related SOPs by MITI were fully adhered to at all our vacation premises including requiring all SGI VC employees to wear mask during work, practising frequent sanitisation and social distancing, daily temperature checks, as well as implementing MySejahtera contact tracing for all check-ins. • All hospitality premises operated under reduced workforce, while all employees in SGI's head office were placed on rotating work-from-home arrangement and all meetings were carried out online.
• Risk of disruption to the operations of our vacation premises as a result of MCOs.	• No major operational disruption was reported throughout the MCO period as all SGI VC staff movements were authorised through MITI-approved letters, while crucial supplies and necessities were well stocked to maintain high standards of service and satisfaction for our vacation guests.

Outlook for 2021

Moving forward in FY2021, the Vacation Club Division will continue to diversify its sales channels and form new partnerships with local corporate agents to promote our club membership package.

The team is also looking forward to connect with overseas travel agents and related merchants to form win-win partnerships once international border restrictions are relaxed.

The team is also looking forward to connect with overseas travel agents and related merchants to form **win-win partnerships** once international border restrictions are relaxed.

We believe that our vacation club products remain attractive to potential members, due to its affordability and access to an appealing range of resorts destinations in Malaysia. With a new sales approach and a bigger target segment to explore, we are confident to be able to record an improved performance in the year ahead.

CONCLUDING REMARKS

Year 2020 was one of the most challenging periods in our Group's operating history, but we are pleased to report that we were able to weather the storm and minimise the disruption and damage that the pandemic wrought on our businesses. As we look ahead to the coming years, we are hopeful that the vaccine campaigns and the various measures taken by the Governments in Malaysia and Australia will help to steer the economies of both countries into a steady and sustainable recovery.

On behalf of the Management and staff members of OSK Group, I wish to thank all our shareholders for your support and understanding during these difficult times. We also wish to record our appreciation to our Board of Directors, the Government of Malaysia, the Government of Australia, the various regulators and government agencies in both countries, our customers and business associates for their support to OSK Group during the year. We also deeply appreciate the sacrifices made by the healthcare workers and other frontline workers in both countries as they risked their lives to protect and serve the people.

SUSTAINABILITY
STATEMENT

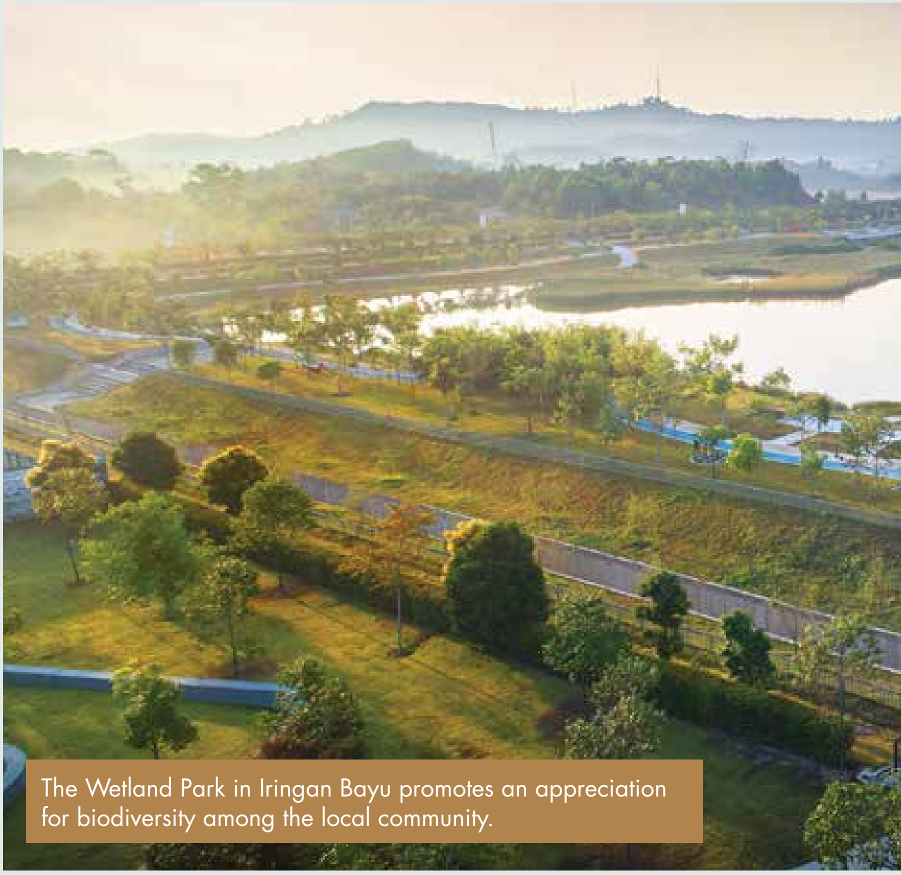
CREATING SUSTAINABLE VALUE

Distribution of personal protective equipment to hospitals under The Edge COVID-19 Equipment Fund.

Year 2020 was a defining year for OSK Group where we took another major step towards instituting greater sustainability in the way we carry out our business.

With COVID-19 continuing to be a global concern throughout the year, protecting the safety and well-being of all stakeholders came to the fore and formed part of the prudent steps we have taken across the organisation to further strengthen our resilience and preparedness in mitigating potential impacts.

During the year, we further entrenched our firm commitment to create strong and sustainable value for all our stakeholders with the introduction of our new sustainability blueprint known as "OSK, Growing Together", which outlines our sustainability direction in the coming years. This was further supported by the implementation of a series of sustainability measures across the economic, social, community and environment spheres to influence positive change, underscored by our founding values and principles.



The Wetland Park in Iringan Bayu promotes an appreciation for biodiversity among the local community.

SUSTAINABILITY
STATEMENT

OSK Foundation donated 60 laptops to support online learning for underserved children in Dignity for Children Foundation.

Employees of OSK Group donated groceries and daily necessities to a charitable home that caters for those with serious disability and life-limiting ailments, in conjunction with OSK Foundation's Chinese New Year 'Gifts of Hope' event.

Top 100 in Corporate Governance

We were listed on MSWG's List of Top 100 Companies for CG Disclosure for the 7th consecutive year (60th place in 2019). We were also listed on MSWG's List of Top 100 Companies for Overall CG and Performance for the 4th consecutive year (70th place in 2019).

Higher Employee Engagement Score

We achieved an overall employees' satisfaction score of **78.2%** in 2020 (75% in 2019), based on our annual Employees Engagement Survey with an employee participation rate of **87.2%**.

COVID-19: Protecting Employees' Well-Being

Adopted comprehensive risk-based approach in safeguarding the safety and health of all employees across the head office and all business units, while adhering to all SOPs and precautionary guidelines by the Ministry of Health and the National Security Council.

87.5% Year-on-year Increase in Training Hours Per Employee

Total training hours per employee **increased to 15 hours** in FY2020 from **8 hours** in the previous year.

New Biodiversity Landmark in Seremban

Launched the 22-acre public park in Iringan Bayu, Negeri Sembilan, as part of efforts to promote biodiversity and environmental conservation

- More than 200,000 wetland plants
- 972 trees of 60 different species
- Attracted more than eight bird species and 11 local fishes

Growing Together with OSK

Introduced OSK's sustainability blueprint "OSK, Growing Together" as the foundation of our sustainability direction and goals in the coming years.

OSK promotes diversity among its workforce.

** Picture was taken prior to MCO*


The Group's revenue remained strong throughout the COVID-19 pandemic.

RM1,085.5 million Revenue in FY2020

We continue to be financially resilient amidst the COVID-19 pandemic that hit the world in 2020.

RM3.9 million Spent on Community Investments

Total amount of philanthropic funds disbursed by OSK Foundation for various community development, education and environmental programmes, since its inception in May 2015.


Orang Asli preschoolers attending class taught by SUKA Society teachers.

** Picture was taken prior to MCO*

SUSTAINABILITY **HIGHLIGHTS 2020**

Alzheimer's-friendly Mall

Atria was listed in the World Alzheimer Report 2020 'Design, dignity and dementia; dementia-related design and the built environment' as an Alzheimer's-friendly mall. The report was launched on World Alzheimer's Day, 21 September 2020.

Top 12th Property Developer in Malaysia

A winner in The Edge Malaysia Top Property Developers Awards (ranked 14th in 2019).

Won Seven Awards in StarProperty Awards 2020

One of the big winners in the StarProperty Awards 2020 including the top honour Best Overall Champion in the StarProperty All-Stars Award sub-category.

Upholding Quality Excellence

Achieved QLASSIC Quality Score of 77% for Iringan Bayu Phase 2C and 75% for Phase 2D.

ABOUT THIS **STATEMENT**

OSK Group Sustainability Report 2020 is the fifth consecutive edition of OSK Holdings Berhad ("OSK" or "the Company") and its subsidiaries ("OSK Group" or "the Group"). It documents our progress in driving a culture of sustainability and, embedding sustainable practices across the Group.

This report presents the Group's sustainability strategies, initiatives and performance in Governance, Economic, Environmental and Social aspects to create sustainable value for our stakeholders.

In keeping with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, as well as other additional reference and guidelines listed below, we continue to ensure transparent disclosure of our sustainable development journey to our wide array of stakeholders.

Principal Guidelines

- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide

Additional Guidelines

- Global Reporting Initiative ("GRI") Standards

Reporting Period and Cycle

- 1 January 2020 – 31 December 2020 ("FY2020") **unless otherwise stated.*
- The OSK Sustainability Report is prepared and published on an annual basis as a supplementary publication to the OSK Annual Report.

Scope

- Our reporting scope encompasses the operations of OSK Holdings Berhad, a public listed company on the Main Market of Bursa Malaysia Securities Berhad, and its subsidiaries in Malaysia.
- The content of the report excludes our business and corporate activities conducted outside Malaysia and activities undertaken by the Group's joint venture and collaborative partners, occupants, tenants, sites, as well as third party vendors and suppliers that are beyond the direct and immediate control of OSK Group, unless otherwise stated.

Feedback

- This Report, as well as our previous Sustainability Reports, are available in PDF format and can be accessed in our corporate website.

  https://www.oskgroup.com/corporate-announcements

- As we endeavour to continuously improve our sustainability efforts and disclosure, we welcome feedback, suggestions and comments from all our stakeholders to further strengthen our sustainability performance and reporting.
- Please address your feedback to the OSK Group Chief Sustainability Officer at: **info@oskgroup.com**

HOW WE
IMPLEMENT SUSTAINABILITY

Our roadmap towards sustainable development represents a measured approach that is geared towards forming the necessary perspectives and practices to deliver practical and tangible outcomes across the entire Group, including each subsidiary, business unit and department. Our plans and activities are grounded on the outcome of our materiality analysis, which guides us towards achieving our targets in sustainability.

OSK's Roadmap to Sustainability

Outline Sustainability Policy

Establish Governance Structure

Identify Stakeholders Group

Conduct Materiality Study

Select Material Matters

Set KPIs for Material Matters

Formulate Action Plans

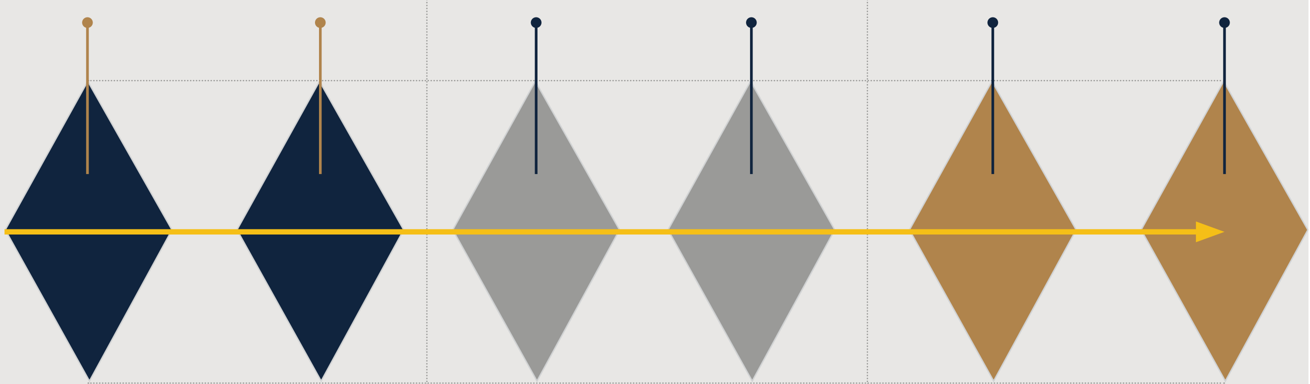
Track Action Plans & KPIs

HOW WE
GOVERN SUSTAINABILITY

Sustainability Governance is an essential factor in driving sustainability and ensuring long term success. Since 2016, the Board of Directors ("BOD") is responsible for driving and ensuring the effectiveness of the Group's sustainability strategy.

Supporting the BOD are the Group Management Risk Committee ("GMRC") and the Chief Sustainability Officer ("CSO") who are responsible for overseeing the overall implementation of sustainability strategies and initiatives across the Group. There is also the Sustainability Working Group ("SWG"), which includes Business and functional divisions responsible for practising sustainability in their daily operations, as well as tracking and monitoring its progress.

Business and Functional Divisions | **Sustainability Working Group** | **Chief Sustainability Officer** | **Group Management Risk Committee** | **Board Risk Management Committee** | **OSK Board of Directors**



- Drives, tracks and monitors progress and improvement towards achieving the Group's key sustainability objectives

- Responsible for overseeing the overall sustainability strategy and implementation across the Group
- Ensures that policies, processes and systems related to sustainability are in place

- Drives sustainability strategy
- Issues final approval for sustainability initiatives, strategies,report and its contents

EMBRACING SUSTAINABLE **GROWTH**

The spirit and essence of sustainability is integrated into OSK's vision and mission to create long-term sustainable growth in all our businesses. Our sustainability vision and mission support OSK's corporate strategy, as we continually advance and innovate to build resilient and future-ready businesses.

Sustainability Vision

Building Sustainable Businesses of Tomorrow

Sustainability Mission

A responsible organisation that creates significant value for our stakeholders – for today and tomorrow.

SUSTAINABILITY **POLICY**

Our Sustainability Policy and objectives, established in 2016, set the tone and manner, as well as the basis of how we create value for our stakeholders. The primary motivation behind all our sustainability initiatives is premised upon the three-pronged approach of Responsible Behaviour, Increase Our Positive Impact, and to Limit Our Adverse Impact.

Sustainability at OSK

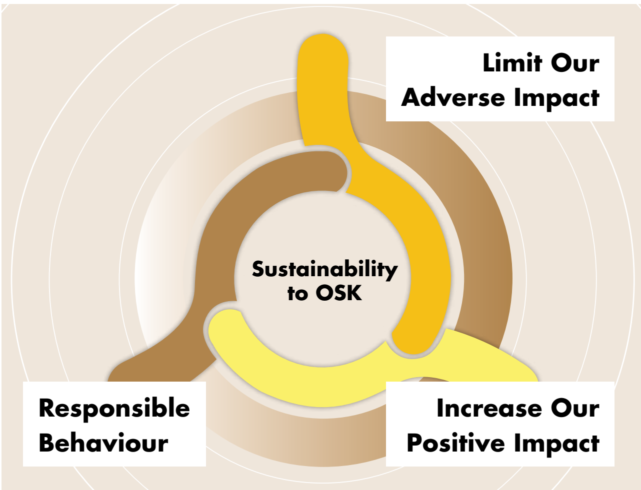
Driving Sustainable Growth

01	**Progressing Together**	• Market Leadership • Superior Returns • Go Local
02	**Responsible Marketplace**	• The Best Products & Services • Continuous Improvement • Customer-centric
03	**Our Biggest Asset**	• Top Talents • Diverse & Inclusive Workplace • Safety & Health
04	**Highest Ethical Standards**	• Anti-bribery & Anti-corruption • Accountability & Risk Management • Regulatory Compliance
05	**Minimising Impacts**	• Promoting Environmental Protection and Conservation • Innovation • Green Practices

OSK is committed in building sustainable and long-term businesses, while shaping and spearheading impactful change for our customers, our talents, the communities where we operate in, the marketplace, and the environment.

Our Sustainability Policy

- To comply with, and exceed where practicable, all applicable legislations, regulations and codes of practice.
- To integrate sustainability values into our business decisions.
- To ensure that all Directors and employees are fully aware of our Sustainability Policy and are committed to its implementation and improvement.
- To ensure that external parties involved in any business dealings with the Group are aware of and strive to adhere to our Sustainability Policy, where practicable.
- To engage with relevant stakeholder groups to identify and align their concerns with the Group's sustainability strategy, where applicable.
- To review and report the key sustainability matters annually and continually strive to improve our sustainability performance.



WHAT MATTERS **TO US**

In 2019, we undertook a materiality review conducted for the first time by an independent external consultant.

The exercise helped us align our sustainability risks and opportunities with our Group enterprise risk profile and identified key issues that impact our ability to create value for our stakeholders.

During the 2019 materiality review, key internal and external stakeholder groups were invited to participate in the Stakeholders' Materiality Assessment Survey. They comprised:

- Our business and industry partners;
- Members of the community;
- Our customers;
- Our top management and employees;
- Representatives from the Government and regulators;
- Members of the media; as well as
- Our shareholders and investors.

In identifying these 20 material matters, the following measures were undertaken by OSK Group:

- Sustainability meeting with Group Management Risk Committee ("GMRC");
- Pre-Materiality Assessment Workshop Meeting;
- Materiality Assessment Workshop with Senior Management; and
- Materiality Assessment Workshop with Business Units.

In 2020, the SWG carried out a subsequent review of the 20 material matters based on the following factors:

- Disruptive potential (potential impact on OSK's business);
- Proximity of impact (the horizon over which the relevant material issue(s) will likely have an impact); and
- Adaptive capability (OSK's state of preparedness in managing the risks and implementing mitigative measures relevant to the material matter).

The SWG felt that the current 20 material matters were still relevant to the Group's current business landscape and should proceed to use it as the basis for the Group's sustainability reporting for FY2020 moving forward, subject to future reviews.

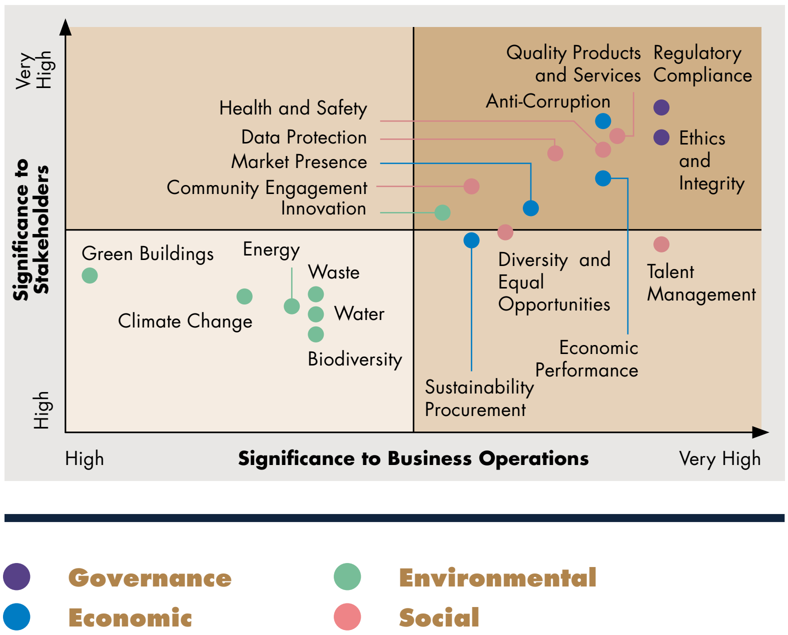
Four-stage 2020 Materiality Review Process

STEP 1	STEP 2	STEP 3	STEP 4
Review relevance of current 20 material matters	Engage with stakeholders to understand and prioritise material ESG issues	Validation by SWG and Group Management Risk Committee	Approval by Board Risk Management Committee

Materiality Matrix

As a result of the materiality review exercise, the 2020 list of material issues is similar to the materiality review in 2019, with Ethics and Integrity; Innovation; Health and Safety; Quality Products and Services; and Talent Management remaining as our five most material matters.

The review also highlighted a notable increase in concern on the material issue of Health and Safety by internal and external stakeholders, due to the protracted COVID-19 crisis in locations where our businesses operate. This valuable feedback will help us to evaluate and improve on our current sustainability practices and disclosure to align with our stakeholders' expectations.



SUSTAINABILITY **REVIEW 2020**

As part of our efforts in addressing emerging challenges including the impacts of COVID-19 and the new economic, social and health paradigm after the pandemic crisis, SWG had engaged in a series of discussion with the Group's Senior Management to review our sustainability perspective and direction from which a new Sustainability Blueprint was developed to future-proof and strengthen the organisation's resilience against potential disruptions.

Themed "OSK, Growing Together" embodies the Group's Sustainability Vision and Mission, our five Core Values, as well as our five sustainability principles to drive impact and make a difference in the community under three focus areas with ESG targets.

OSK, Growing Together – A Virtuous Cycle to Drive Sustainable Growth

The long-term sustainability blueprint outlines our sustainability direction as we work towards realising our Sustainability Vision and Mission.

Focus One

Nurturing Inclusive and Sustainable Communities

- To increase our commitment to adapt and adopt new innovations and technology for the construction of green and sustainable buildings.
- To increase available resources committed to the promotion and implementation of sustainability and green practices, new partnerships, digital ecosystem and stakeholder engagements.
- To continuosly broaden and deepen the impact of our CSR contributions for the underserved and underprivileged in the communities.

Focus Two

Caring for the Environment

- To install indepletable alternative energy infrastructure, such as solar photovoltaic panels, across all fixed assets in the Group, including factories, hotels and investment properties.
- To reduce the consumption intensity of energy and water consumption.
- To reduce total waste disposed at our business premises.
- To use raw materials and supplied goods that are derived from recycled content, low-carbon sources or certified by recognised environmental organisations across all business units.

Focus Three

Ensuring Fair, Safe and Transparent Business Practices

- To maintain ZERO corruption and incidents of fraud across all business premises.
- To maintain ZERO fatality rate and occupational illness across all business premises.
- To uphold the highest standards of integrity and support diversity across all business units at all times.

The blueprint outlines three focus areas with contributions covering 16 out of the 17 UN SDGs (Agenda 2030). Moving forward, the blueprint will underscore the focus areas upon which the Group's long-term sustainability efforts will be directed to accelerate the impact of our sustainability approach, performance and traction.

HOW WE ENGAGE **OUR STAKEHOLDERS**

OSK Group seeks to engage, anticipate and meet the needs of our stakeholders, as we believe that effective and meaningful dialogues are fundamental to building trust and forms the foundation of governance in our organisation. Stakeholders are defined as groups that our businesses have a significant impact on, as well as those who have a vested interest in our operations. We have included Lenders as a newly added stakeholder group in 2020.

Identifying and Responding to Issues Material to Stakeholders

Key Stakeholder Groups	Areas of Interest	OSK's Position	Engagement Platforms	Frequency of Engagement	Value Created
Business and Industry Partners As an established organisation with an excellent business track record, OSK provides thought leadership and imparts positive market feedback on policies and issues through industry associations and bodies to foster tri-sector (public private-people) collaborations that promote growth and development.	• Industry best practices • Innovation and advances in the industry • New business opportunities • OSK's position within the industry • Fair procurement • Staying connected with the Company • Support of local suppliers and local producers To read more about our response, please refer to pages 26 to 29 of this report	Together with our industry peers, OSK is committed to advancing the industry through active participation in the marketplace and sharing updates on our progress, challenges and other developments.	• Annual and sustainability reports	Annual	
			• Consultation on industry matters	As and when required	
			• Corporate presentations	As and when required	
			• Events and roadshows	Ongoing	
			• Forums and dialogues	As and when required	
			• Membership in associations	Annual	
			• Satisfaction surveys	Annual	
Community We create affordable, innovative and thoughtfully-designed living spaces, as well offer products and services that support community well-being and integration. We are also actively involved in community investments that seek to assist the underserved, reduce inequality, promote social mobility, as well as mobilise community development projects that foster partnerships and social inclusiveness (especially for youths and women-related).	• Impact of operations on community • Promoting social and environmental well-being • Social inclusion, local community development and caring for the less fortunate • Philanthropy • Ethical marketing practices • Staying connected with OSK To read more about our response, please refer to pages 26 to 29 of this report	As part of our pluralistic society, OSK understands that our business operations have an impact on the well-being of the community. We are committed to our role as an agent of change, as well as an active contributor and enabler in promoting harmony, inclusiveness and well-being for the communities in which we operate.	• Community engagement activities and philanthropies	Ongoing	
			• Collaborations with NGOs, charities and social enterprises	Ongoing	
			• Social media tools	Ongoing	
			• Annual Report	Ongoing	
			• Sustainability Report	Annual	
			• Company websites	Ongoing	
			• Company advertisements	As and when required	

HOW WE ENGAGE
OUR STAKEHOLDERS

Key Stakeholder Groups	Areas of Interest	OSK's Position	Engagement Platforms	Frequency of Engagement	Value Created
Customers including Tenants, Shoppers and Guests Providing safe, innovative and high-quality products and services for all our customers are fundamental for the generation of financial capital and to OSK's continued success in the long run.	• Safety and health • Customer service and experience • Ethical marketing practices • Brand reputation • Confidence and trust in the Company • Pleasant experience • Value for money To read more about our response, please refer to pages 26 to 29 of this report	Building strong relationships and trust, as well as ensuring the satisfaction of all our customers form the foundation of everything we do. OSK envisions itself as being a trusted partner to our customers, in line with our ethos of "Moving Forward, Progressing Together". We maintain a long-term perspective in all our business operations.	• Events and roadshows	Ongoing	
			• Consultation on industry matters	Ongoing	
			• Corporate presentations	Ongoing	
			• Forums and dialogues	As and when required	
			• Membership in associations	Ongoing	
			• Satisfaction surveys	Ongoing	
			• Company websites	Ongoing	
			• Social media	Ongoing	
			• Residential management services	Upon project completion until formation of JMB or MC	
			• Tenant Memos and Notices	As and when required	
Employees OSKers form one of the most crucial capitals of OSK Group. Health and safety, skills and capability, welfare and the professional growth of all OSKers are fundamental to OSK's performance and key to nurturing a high-performing, loyal and competitive workforce.	• Company's direction and updates • Workplace safety and health • Labour and human rights • Remuneration and benefits • Career development • Training opportunities • Work-life balance • Employee volunteerism To read more about our response, please refer to pages 26 to 29 of this report	OSK is committed to providing a safe, engaging, inclusive and stimulating work environment that encourages quality performance, high employee satisfaction and loyalty.	• Annual employee engagement survey	Annual	
			• Internal employee portal	Ongoing	
			• Employee volunteering and CSR activities	As and when required	
			• Internal engagement activities i.e. special promos and sustainability campaign	Ongoing	
			• Health and safety notices and updates	Ongoing	
			• Training and talent development	Ongoing	
			• Mentoring programme	Ongoing	
			• Townhall and dialogues	Ongoing	
			• Whistleblowing channel	Ongoing	
			• Chillax Zone and Gym @ Plaza OSK	Ongoing	
			• Prayer room and common facilities	Ongoing	

HOW WE ENGAGE
OUR STAKEHOLDERS

Key Stakeholder Groups	Areas of Interest	OSK's Position	Engagement Platforms	Frequency of Engagement	Value Created
Government and Regulators As a responsible corporate citizen, we strive to ensure compliance with all applicable SOPs, rules and regulation, and constantly work with key government agencies and regulators in upholding regulatory practices and applicable health and safety standards, while promoting societal well-being.	• Compliance • Contributions to the economy, local community and nation-building • Industry best practices • Promoting workplace health and safety • Cultivating good workplace practices • Advocating ESG integration in business operations and reporting	Each subsidiary is responsible to comply with all relevant regulations. We supported the Government's social initiatives and place great emphasis on being an exemplary corporate citizen.	• Formal meetings with Senior Management representation	As and when required	
			• Annual and sustainability reports	Annual	
			• Audits and inspections	As and when required	
			• Collaborations with Government agencies and departments for community welfare, education and sustainability-related programmes	Ongoing	
			• Participation in industry and public forums, dialogues and workshops organised by Government bodies and regulators	As and when required/ invited	
	To read more about our response, please refer to pages 26 to 29 of this report		• Participation in corporate and CSR events	As and when required/ invited	
Media We engage the media and the general public regularly to provide regular updates on the Group's latest developments and progress, as part of efforts to build community trust and provide transparency on the Group's journey.	• Corporate updates • Financial performance • Corporate governance • Upcoming corporate developments • Marketing and promotions • Awards and recognition • Partnerships and collaborations	We strive to ensure the highest level of governance in our disclosures to the public through mainstream media channels. We believe that delivering the right message to the media is key, especially at corporate events and launches, where we disseminate first-hand corporate and project information.	• Events and launches	Ongoing	
			• Media networking sessions	Ongoing	
			• Meetings and media visits	As and when required	
			• Annual and sustainability reports	Annual	
			• Quarter financial results announcements	Quarterly	
			• Media releases on corporate updates and developments	As and when required	
			• Media interviews	As and when required	
			• Awards submission and presentation	As invited	
	To read more about our response, please refer to pages 26 to 29 of this report		• Participation in corporate and CSR events	As and when required/ invited	

HOW WE ENGAGE **OUR STAKEHOLDERS**

Key Stakeholder Groups	Areas of Interest	OSK's Position	Engagement Platforms	Frequency of Engagement	Value Created
Shareholders and Investors Ensuring sustainable and long-term shareholder returns is a priority for OSK. In keeping with our emphasis on upholding the highest level of corporate governance, we are committed to continue to build trust and confidence through regular dialogues with our shareholders and the investment community.	• Brand reputation • Future competence and innovation • Growth strategy • Long-term relationship development • OSK's market position and performance within the industry • Positive investment growth and diversification • Risk management • Corporate governance • Acquisitions and disposals • ESG initiatives and sustainability performance	OSK's overall goal is to create sustainable shareholder value while fulfilling the expectations of other stakeholders. A strong focus on financial performance, risk management and internal control is instrumental in achieving this goal.	• Annual General Meetings	Annual	
			• Annual and sustainability reports	Annual	
			• Bursa announcements	As and when required	
			• Investor relations ("IR") and institutional briefings, presentations or conference calls	As and when required	
			• Quarterly financial announcements	Quarterly	
			• Shareholder updates	As and when required	
			• Site visits	As and when required	
			• Media announcements	As and when required	

To read more about our response, please refer to pages 26 to 29 of this report

HOW WE ENGAGE **OUR STAKEHOLDERS**

Key Stakeholder Groups	Areas of Interest	OSK's Position	Engagement Platforms	Frequency of Engagement	Value Created
Lenders Achieving an efficient capital structure with competitive funding costs is crucial to OSK's financial well-being, in line with our prudent financial management approach. The Group engages with financiers and lenders as part of our continuous efforts to ensure optimal funding and liquidity in our operations.	• Business performance and updates • Financial position • Revenue growth • Value creation and sustainability • Long-term relationship development • OSK's market position and reputation within the industry • Risk management • Corporate governance • ESG initiatives and sustainability performance To read more about our response, please refer to pages 26 to 29 of this report	OSK is committed to being a long-term and trusted business partner that is driven by good governance and a strong balance sheet to support our business objectives. We seek to engage and partner with lenders who share the same sustainability principles, position and values as us to enable us to make meaningful change in the communities where we operate.	• Institutional briefings, presentations or conference calls	As and when required	
			• Annual and sustainability reports	Annual	
			• Bursa announcements	As and when required	
			• Quarterly financial announcements	Quarterly	
			• Media announcements	As and when required	
Supply Chain Partners We work closely with our vendors, suppliers and business partners in our value chain to ensure that our operations are carried out in line with OSK's ethical, safety and health, and sustainability policies and standards.	• Legal compliance • Ethics and integrity • Workers' safety and health • Fair procurement • Quality and value • Staying connected with the Company • Supporting local suppliers and local produce To read more about our response, please refer to pages 26 to 29 of this report	OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.	• Satisfaction survey	Ongoing	
			• Supplier audits	Ongoing	
			• Supplier events	Ongoing	
			• Anti-bribery and anti-corruption pledge	Ongoing	

SUSTAINABILITY SCORECARD

Our Sustainability Scorecard summarises the Group's key sustainability outcomes and achievements for the year in accordance with our five reporting pillars. We have included our contribution to the UN SDGs in our KPI tracking in 2020.

As we make further progress in our sustainability journey, we will be presenting a new Sustainability Scorecard outlining our commitments and goals to bring positive change to all fellow OSKers, our stakeholders and the communities in which we operate, beginning FY2021, in keeping with the adoption of the Group's sustainability blueprint "OSK, Growing Together".

Sustainability Outcomes 2020

G Material Matters - BUSINESS ETHICS

8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to page 64 of our Sustainability Report

Owners
All

KPIs
Number of initiatives taken to enhance business ethics practices.

Targets
Number of initiatives taken to enhance business ethics practices.

Outcomes
1. Reviewed the Group's Whistleblowing Policy in September to align with the Anti-Bribery and Anti-Corruption Handbook (English and Bahasa Malaysia versions concurrently) in September 2020.
2. Reviewed and approved the Group's Corporate Disclosure Policy in November 2020 to improve our corporate governance on disclosure requirements.
3. Approved and rolled out the Group's Fraud Policy (BM version) in March 2020.
4. Developed Code of Conduct and Business Ethics ("Code") and Whistleblowing Policy for the Group's development arm in Australia, known as Yarra Park City. The Code was rolled out in January 2021.

G Material Matters - RISK MANAGEMENT

8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to page 67 of our Sustainability Report

Owners
Risk Management

KPIs
Number of activities conducted to cultivate a positive risk management culture.

Targets
Minimum two initiatives per year.

Outcomes
1. Conducted enterprise risk management awareness programme.
2. Conducted internal controls and risk mitigation methodology programme.
3. Conducted business continuity management awareness.
4. Reviewed and preformed crisis simulation.
5. Periodic risk review, assessment and reporting.

G Governance E Economic En Environment S Social

SUSTAINABILITY
SCORECARD

G Material Matters - TRANSPARENCY

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to page 64 of our Sustainability Report

Owners
Co-Sec

KPIs
Maintain good corporate governance ("CG") practices and Disclosure.

Targets
To be listed in the Minority Shareholder Watch Group ("MSWG") Top 100 Companies for Overall CG & Performance

Outcomes

1. The Company was ranked 60th on the List of Top 100 Companies for CG Disclosure 2019 by the Minority Shareholders Watch Group.
   *Source: http://www.mswg.org.my/list-of-top-100-companies-for-cg-disclosure-2019-by-rank
2. The Company was ranked 70th on the List of Top 100 Companies for Overall CG and Performance 2019 by the Minority Shareholders Watch Group.
   *Source: http://www.mswg.org.my/list-of-top-100-companies-for-overall-cg-performance-2019by-rank

E Material Matters - ECONOMIC & BUSINESS PERFORMANCE

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to page 67 of our Sustainability Report

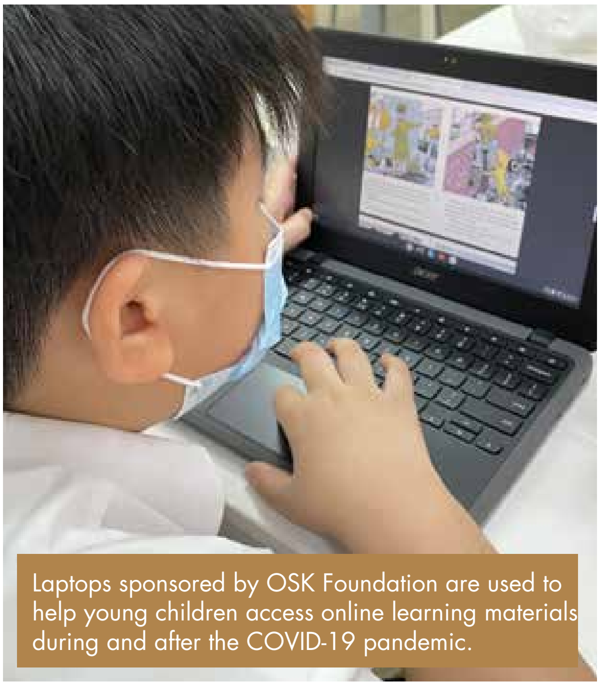
Owners
All

KPIs
Number of initiatives taken to contribute to local economy/ community.

Targets
Minimum three initiatives per year.

Outcomes

1. OSK Foundation joined Corporate Malaysia in the fight against COVID-19 by contributing RM500,000 to The Edge COVID-19 Equipment Fund to purchase critical medical equipment for hospitals.
2. OSK Foundation donated 60 laptops to the Dignity for Children Foundation, under the Umbrella Fund for COVID-19 Emergency Support, which was supported by the Asia Philanthropy Circle, with an aim to promote effective online learning and coding lessons for vulnerable children during and after the COVID-19 pandemic.
3. OSK Foundation and OSK Property collaborated with MERCY Malaysia to deliver COVID-19 food relief and basic necessities to B40 throughout Malaysia during the Conditional MCO period.
4. Atria and OSK Foundation helped raised RM40,000 for the Alzheimer's Disease Foundation Malaysia ("ADFM"), in conjunction with the World Alzheimer's Month celebration in September 2020.



Laptops sponsored by OSK Foundation are used to help young children access online learning materials during and after the COVID-19 pandemic.

SUSTAINABILITY
SCORECARD

En Material Matters - WASTE MANAGEMENT

Our Sustainability Driver	
To read more about our performance on this Material Matter, please refer to pages 54 and 55 of our Sustainability Report	**Owners** All **KPIs** Number of waste management initiatives or campaigns conducted. **Targets** Minimum two initiatives per year.

Outcomes

1. Piloted the 3R Sustainability Campaign @ Plaza OSK to drive awareness on water, energy and paper conservation. Campaign outcome (3-month period from September-November 2020):
   a. Reduced electricity consumption: 25,920 kWh
   b. Reduced paper consumption: 520 A4 reams (260,000 A4 sheets)
   c. Increased water consumptions: 277 m3 (primarily due to more frequent hand-washing and cleaning of the premises during the MCO period as part of preventive measures against COVID-19)
2. Piloted the Charity Recycling Programme @ Plaza OSK to promote responsible waste management. All proceeds from recyclables collected were channeled to the Lovely Disabled Home in Petaling Jaya, Selangor. Total recyclables collected (paper, plastic and metal): 546 kg (3-month period from October-December 2020).
3. Go Green "Help Save the Planet" Programme is practised at both Swiss-Garden Hotel & Residences Genting Highlands and Swiss-Garden Beach Resort Kuantan. The programme encourages guests to only request for towels and linen change, when necessary as part of the hotels' environmental initiative. The message is communicated to guests by placing a "Help Save the Planet" note on all beds.
4. Eco Friendly Programme is implemented at Swiss-Garden Hotel & Residences Genting Highlands through an amenities bottle buy-back and soap scrap exchange programme with our vendors.
5. We practise recycling of used cooking oil at Swiss-Garden Beach Resort Kuantan where an estimated 1,200 litres of used cooking oil are sent for recycling each year to be processed into bio-diesel.

S Material Matters - QUALITY

Our Sustainability Driver	
To read more about our performance on this Material Matter, please refer to page 65 of our Sustainability Report	**Owners** Property Development **KPIs** Quality Assessment System for Building Construction Works ("QLASSIC") score for development projects. **Targets** Achieve a minimum score of 75%.

Outcomes

QLASSIC Quality Scores achieved by OSK Property:

- Iringan Bayu Phase 2C in Seremban, Negeri Sembilan – 77%
- Iringan Bayu Phase 2D in Seremban, Negeri Sembilan – 75%

SUSTAINABILITY **SCORECARD**

S Material Matters - PUBLIC & CUSTOMER SAFETY

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to pages 32 to 37 of our Sustainability Report

Owners
Property Investment - Atria

KPIs
Timely maintenance of public facilities calculated by the number of major breakdowns (requiring specialist/ service provider actions) per year.

Targets
Keep within the number of allowable major breakdowns per year (not more than eight breakdowns with four being the target allowable).

Outcomes
No major breakdown was reported during the year.

All mall facilities have been maintained at optimum level for shoppers' and tenants' comfort and convenience.

S Material Matters - OCCUPATIONAL SAFETY & HEALTH

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to pages 32 to 37 of our Sustainability Report

Owners
Construction

KPIs
Number of initiatives conducted to cultivate a safety and health awareness culture.

Targets
Minimum two activities per year.

Outcomes
- A total of 1,397 workers from our Property, Construction and Industries arms (including those of our contractors) had undergone COVID-19 swab test for the coronavirus prior to commencing work at the respective premises. All employees were tested negative.
- Circulation of COVID-19 memos, health updates, preventive measures and info to all OSKers.
- Placement of disinfection chambers at Plaza OSK and our construction sites.
- Placement of hand sanitisers and COVID-19.
- Precautionary measures such as social distancing, frequent sanitisation and working from home were practised across all business premises under the Group.
- Purchased and distributed PPE including face masks for all employees.

COVID-19 safety and health reminders for employees at our Olympic Cable factory in Krubong, Melaka.

SUSTAINABILITY
SCORECARD

S Material Matters - TRAINING & CAREER DEVELOPMENT

Our Sustainability Driver

To read more about our performance on this Material Matter, please refer to pages 29 to 31 of our Sustainability Report

Owners
Human Resources ("HR")

KPIs
Training satisfaction score.

Targets
Achieve an average satisfaction score of 75%.

Outcomes
The Group achieved an average score of 83% for training satisfaction in 2020 (84% in 2019).

S Material Matters - EMPLOYEE ENGAGEMENT

Our Sustainability Driver

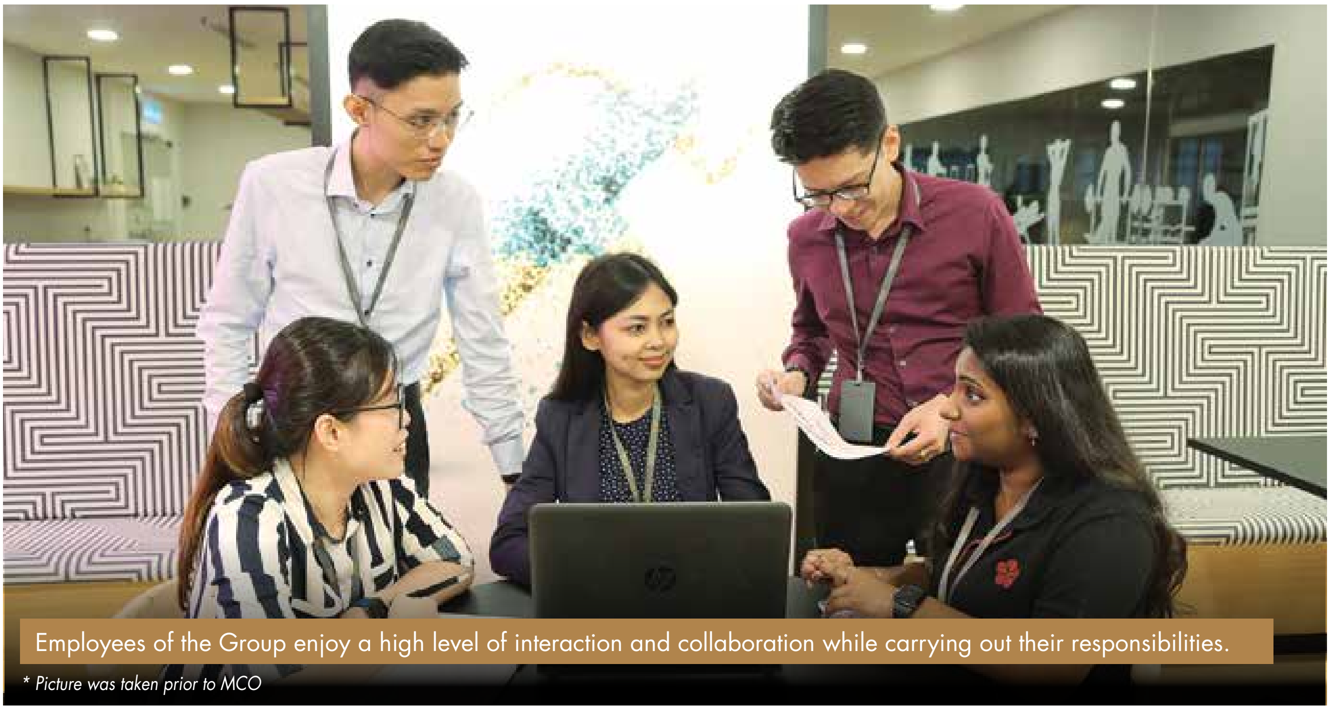
To read more about our performance on this Material Matter, please refer to pages 29 to 31 of our Sustainability Report

Owners
HR

KPIs
Percentage of employee satisfaction score.

Targets
Benchmark against the Global Engagement Index ("GEI") of 66%.

Outcomes
- The Group achieved an overall employees' satisfaction score of 78.2% in 2020 (75% in 2019), based on our Employees Engagement Survey with an employee participation rate of 87.2%.
- 2 sessions of Group Townhalls were carried out in 1Q and 4Q 2020.



Employees of the Group enjoy a high level of interaction and collaboration while carrying out their responsibilities.

** Picture was taken prior to MCO*

WHAT'S **AHEAD**

We took another bold step forward in our sustainability journey in 2020 to strengthen our ability to create value for our stakeholders and future-proof challenges in the horizon with the adoption of our sustainability blueprint "OSK, Growing Together" and aligning our sustainability efforts with the UN SDGs.

With this, we effectively outlined the basis of our sustainability contributions in the coming years, and where value is channelled from the work that we do. Our sustainability ethos of "Moving Forward, Progressing Together" will continue to serve as our guiding light to make meaningful changes and bigger impacts for our people, business and customers, and the community.

Here are among the next steps we will take in FY2021 onwards in our sustainability journey:

Concise Reporting Under the Three Key Themes in Our Sustainability Blueprint
In the future reporting framework, our existing 20 material matters will be embedded within the three (3) underlying themes of "OSK, Growing Together".

Integrated Sustainability Reporting <IR>
In line with the gradual transition of our Annual Report to integrated reporting <IR> format in 2020, our sustainability reporting will also commence incorporating <IR> elements into our Sustainability Report in the coming year.

Greater strides in renewable energy across our premises
Besides nurturing trees as natural carbon sequesters in our parks, active efforts are underway to incorporate renewable energy features across our property developments and factories.

As stated by our Executive Chairman in his message earlier:

> *"At OSK Group, we are committed to lead the transition towards a sustainable future. As we continue to chart greater heights in our sustainability achievements, I wish to take this opportunity to thank members of our Board, the Management and all OSKers for your unwavering support, commitment and drive to embrace sustainability as an integral part of the Group's culture during these turbulent times."*

IN THE NEWS


Virtual property fair focuses on first-time buyers


bisnes
TENANG DI YARRA PARK
OSK Property bina kediaman dalam lingkungan perbandaran berprestij


Call for national dementia plan
Foundation: Policies needed to address issues concerning Malaysia's ageing population


New phase for practical living in thriving township
Property developer offers low-density single-storey houses in Seremban


Marking 55 years in property development


Winners celebrate in cyberspace
Developers awarded for their innovation, architecture and functionality


OSK Property to launch Aury in Iringan Bayu


Green township by OSK Property continues to see good response


OSK Property to focus on affordable 'essential homes'

IN THE **NEWS**

Mall prepares for CNY with campaign, festive ambience

Festive visit to uplift spirit of underprivileged

末季少赚 15%

侨丰控股派息 3 仙

（吉隆坡 28 日讯）侨丰控股（OSK，5053，主板产业股）2019 财年末季净利年跌 14.5%，录得 1 亿 3016 万 6000 令吉；每股派发 3 仙股息。

侨丰控股昨天向交易所报备，2018 财年末季时有一笔 7595 万令吉的酒店脱售收入。

排除单次收入后，公司在末季的核心税前盈利其实是按年大增 79%，旗下所有业务，包括建筑、产业、工业、酒店、金融和投资等的盈利都有改善。

不过，末季营业额滑落 8.2%，报 2 亿 9153 令吉。

累计全年，侨丰控股净赚 4 亿 1200 万 3000 令吉，按年增 19%；营业额报 12 亿 752 万 3000 令吉，按年微扬 0.3%。

截至去年 12 月 31 日，产业业务的未入账销售有 16 亿令吉，而建筑业务的未完成订单有 2 亿 395 万令吉。

酒店业务预计会受到新冠肺炎的影响，但公司仍谨慎乐观看待。

侨丰控股有信心，虽然全球市场挑战重重，国内政局不稳，但今财年仍可交出称心业绩。

闭市时，侨丰控股报 93 仙，跌 3 仙或 3.13%，成交量 159 万 3500 股。

OSK新单层排屋Desira 優質理想綠色家居

僑豐地產線上房產展銷會 超值優惠慶55週年

16

Ong Ghee Bin

OSK Property tumpu pakej pemasaran

Pemaju hartanah OSK Property memberi tumpuan kepada pakej pemasaran termasuk harga hartanah bagi 2020, dalam mendepani cabaran pasaran hartanah berikutan keadaan ekonomi yang tidak menentu kini.

Ketua Pengarah Eksekutif OSK Property, Ong Ghee Bin, berkata sebelum ini Kempen Pemilikan Rumah 2019 (HOC) banyak memberi manfaat kepada pembeli namun ia tidak diteruskan, turut mempengaruhi pasaran.

"Untuk tahun ini pasaran agak mencabar dengan keadaan ekonomi tidak menentu yang mana ia turut mempengaruhi marjin pinjaman perumahan manakala HOC pula yang tidak diteruskan.

"OSK Property ketika ini memberi fokus untuk melihat bagaimana pakej pemasaran termasuk strategi harga yang terbaik yang boleh kita tawarkan kepada pembeli," katanya ketika ditemui pada majlis '1st Phase Iringan Bayu (Pastura) Buyer Appreciation Night' di Seremban, Negeri Sembilan kelmarin.

Projek perumahan Iringan Bayu Pastura berkeluasan 13.7 ekar yang dibina pada 2018, terdiri daripada 221 unit kediaman teres dua tingkat dan dijual pada harga bermula RM390,000.

BERNAMA

打造活力Iringan Bayu城鎮 僑豐產業Mekary亮麗登場

22 JOM! / stay

Perfect for the family

坐落于Iringan Bayu城镇的Desira单层排屋项目，以其可负担价格及宽敞空间的布局为特色。

侨丰推Desira单层项目

吉隆坡17日讯｜侨丰产业集团（OSK Property）日前为森州芙蓉Iringan Bayu城镇的Desira项目举办推介仪式。

Desira单层排屋属低密度项目，仅219个单位，售价从34万2720令吉起，其面积从1098起至1333平方尺，分别拥有3间至4间卧室布局，为年轻家庭提供更多的选择。

该集团产业发展首席执行员王文民指出，Iringan Bayu城镇自2018年推出便受到市场的高度关注，随着住户的生活水平逐渐提高，高质量的生活素质为居家首选，该城镇可为住户提供优质且绿意盎然的生活环境，同时致力促进社区内的睦邻和谐生活。

他说，该城镇将在年底前推出占地22英亩湿地大公园，届时将成为芙蓉市最大的公园之一。该公园不但为住

DIRECTORS' PROFILE

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Executive Chairman

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
76	Male	Malaysian	21 November 1990

Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong") was first appointed to the Board of the Company on 21 November 1990. He was the former Group Managing Director/ Chief Executive Officer of the Company and was re-designated as a Non-Independent Non-Executive Director on 4 May 2007. Tan Sri Ong was then re-designated as the Chief Executive Officer/ Group Managing Director on 9 November 2012 and re-designated as Executive Chairman on 19 April 2017. He is also a Key Senior Management team member of the Company.

Tan Sri Ong holds a Capital Markets and Services Representative's licence issued by the Securities Commission Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities. Tan Sri Ong was a Director of Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) from July 1999 to March 2002, a member of the Capital Market Advisory Council appointed by the Securities Commission Malaysia in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was previously a member of the Securities Market Consultative Panel of Bursa Malaysia.

Since 1969, Tan Sri Ong was attached to a leading financial institution where he last held the position of Senior General Manager. He became the Managing Director/ Chief Executive Officer of OSK Securities Berhad (which was later known as OSK Investment Bank Berhad) from July 1985 to January 2007 and was thereafter appointed as the Group Managing Director/ Chief Executive Officer of OSK Investment Bank Berhad.

Tan Sri Ong was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad (which was later known as OSKIB Sdn. Bhd.) on 18 January 2011, a position he held until 30 April 2013. He was appointed as a Non-Independent Non-Executive Director of OSK Ventures International Berhad from December 2003 to April 2010 and re-appointed as a Non-Independent Non-Executive Director from February 2013 to April 2017.

Tan Sri Ong is also the Executive Chairman of PJ Development Holdings Berhad and OSK Property Holdings Berhad, a Non-Independent Non-Executive Director of RHB Bank Berhad and RHB Investment Bank Berhad, a Trustee of OSK Foundation and a Director of KE-ZAN Holdings Berhad.

Tan Sri Ong is the father of Mr. Ong Ju Yan, the Group Managing Director of the Company, Mr. Ong Ju Xing, the Deputy Group Managing Director of the Company and Ms. Ong Yee Ching, the Non-Independent Non-Executive Director of the Company, and the spouse of Puan Sri Khor Chai Moi, a major shareholder of the Company. He has no conflict of interest other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Tan Sri Ong attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Ong Ju Yan

Group Managing Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
41	Male	Malaysian	9 October 2015

Ong Ju Yan ("Mr. Ong") was appointed to the Board of the Company on 9 October 2015 as the Deputy Group Managing Director and was re-designated as Group Managing Director on 19 April 2017. He is also a Key Senior Management team member of the Company.

Mr. Ong graduated with a Bachelor of Arts in Economics from Yale University in 2001 and currently serves as Yale's Alumni Schools Committee Director for Malaysia.

Mr. Ong has over 14 years of experience in financial services, having worked in Citibank Malaysia and Morgan Stanley in New York, Hong Kong and Singapore. In 2004, he joined OSK Investment Bank Berhad ("OSKIB") in Malaysia where he last held the position of Chief Operating Officer and Head of Investment Banking. He was a key senior management team member who helped to build up OSKIB's regional business through acquisitions and aggressive organic growth throughout ASEAN and in Hong Kong. Following the disposal of OSKIB by the Company to RHB Capital Berhad in November 2012, Mr. Ong joined RHB Investment Bank Berhad as Executive Director and Head of Group Corporate and Investment Banking Services, where he managed the investment banking origination and wholesale equities businesses until April 2015.

Mr. Ong is also an Executive Director of PJ Development Holdings Berhad and OSK Property Holdings Berhad and a Director of KE-ZAN Holdings Berhad, OCC Cables Berhad and SGI Vacation Club Berhad.

Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Executive Chairman and a major shareholder of the Company and Puan Sri Khor Chai Moi, a major shareholder of the Company. He is also the brother of Mr. Ong Ju Xing, the Deputy Group Managing Director of the Company and Ms. Ong Yee Ching, the Non-Independent Non-Executive Director of the Company. He has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Mr. Ong attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Ong Ju Xing

Deputy Group Managing Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
36	Male	Malaysian	9 October 2015

Ong Ju Xing ("Mr. Ong") was appointed to the Board of the Company on 9 October 2015 as an Executive Director and was re-designated as the Deputy Group Managing Director on 19 April 2017. He is also a Key Senior Management team member of the Company.

Mr. Ong holds a Bachelor of Science in Business Management from University of London, United Kingdom and a Master of Philosophy in Land Economy from University of Cambridge, United Kingdom.

Mr. Ong has worked with multinational corporations across a variety of industries namely corporate restructuring with Ernst & Young, consumer banking with HSBC, investment banking with Credit Suisse and management consulting with Accenture. His experience in the various fields expands to management consulting in the process and systems re-engineering of financial institutions, real estate investment banking, private fund raising, REITS IPO, financial valuation, modelling and analysis, personal financial services, banking product development and management as well as corporate restructuring advisory services.

Since 2009, Mr. Ong has been instrumental to the development and achievements of OSK Property. He continues to provide strategic leadership and helm the overall property and construction pillars for the Group. Mr. Ong is also an Executive Director of PJ Development Holdings Berhad and OSK Property Holdings Berhad and a Director of KE-ZAN Holdings Berhad.

Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Executive Chairman and a major shareholder of the Company, and Puan Sri Khor Chai Moi, a major shareholder of the Company. He is also the brother of Mr. Ong Ju Yan, the Group Managing Director of the Company and Ms. Ong Yee Ching, the Non-Independent Non-Executive Director of the Company. He has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Mr. Ong attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Dato' Saiful Bahri bin Zainuddin

Executive Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
59	Male	Malaysian	9 October 2015

Dato' Saiful Bahri bin Zainuddin ("Dato' Saiful Bahri") was appointed to the Board of the Company on 9 October 2015 as an Executive Director. He is also a Key Senior Management team member of the Company.

Dato' Saiful Bahri graduated with a Bachelor of Science in Economics & Finance from Western Michigan University, United States of America in 1985, and has attended the Global Leadership Development Programme at Stanford University, United States of America.

Currently, Dato' Saiful Bahri's other directorships are Independent Non-Executive Director of KAF Investment Bank Berhad where he chairs the Nomination and Remuneration Committee and sits on KAF Investment Board, Audit Committee and Risk Committee. He is the Chairman of PT KAF Securitas Indonesia. He also sits on the Investment Committee Board of Eastspring Investments Berhad; Board Member of Securities Industry Dispute Resolution Centre (SIDREC), appointed to the Board on 28 April 2010. He was the Financial Adviser to the State Government of Negeri Sembilan and a member of the Negeri Sembilan State Government Think Tank and most recent appointment, Audit Committee Member for Universiti Sains Islam Malaysia (USIM).

Dato' Saiful Bahri was appointed by the Minister of Finance as Independent Non-Executive Director of Bursa Malaysia Berhad in 2008 and a Board Member of Bursa Malaysia Securities Berhad and Bursa Malaysia Securities Clearing Sdn. Bhd. from April 2015. Dato' Saiful Bahri was then appointed as Senior Independent Director for his active role as a Director and in addition to his Board member role, he also sits on Committees for Market Participation, Risk Management and Nomination & Remuneration. He is a former Member of the Securities Commission's Securities Law Consultative Committee and he was previously on the Board of Trustee for the Bumiputera Dealer Representative Education Fund and the Bumiputera Training Fund. Dato' Saiful Bahri was appointed as an Advisory Council Member of the Secondary Market for the Securities Commission Malaysia.

Dato' Saiful Bahri's previously held positions include Executive Director of Affin Hwang Investment Bank, Executive Director of Affin Holdings, Managing Director of Affin Securities, Executive Director Dealing of Rashid Hussain Securities, and Chief Executive Officer/ Executive Director Dealing of Fima Securities Sdn. Bhd. He was also attached to the Corporate Planning Division of Heavy Industries Corp. of Malaysia (HICOM).

Dato' Saiful Bahri does not have any family relationship with the other Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Dato' Saiful Bahri attended five out of six Board Meetings of the Company held during the financial year ended 31 December 2020.

Dato' Thanarajasingam Subramaniam

Senior Independent Non-Executive Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
70	Male	Malaysian	19 April 2016

Dato' Thanarajasingam Subramaniam ("Dato' Thanarajasingam") was appointed to the Board of the Company on 19 April 2016 as an Independent Non-Executive Director and re-designated as Senior Independent Non-Executive Director on 25 May 2018. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Risk Management Committee of the Company.

Dato' Thanarajasingam graduated from University of Malaya with a Bachelor of Arts in 1973 and also holds a Master of Arts from New York University in 1985.

Dato' Thanarajasingam has extensive experience in both the public and private sectors. He has served as a Malaysian diplomat for more than 37 years including as Malaysian Ambassador to Brazil, Venezuela, Suriname and Guyana from 1998 to 2001 and Ambassador to France and Portugal from 2006 to 2010. He was previously the Chief of Staff to the President of the United Nations General Assembly in 1997. After being the Director-General of ASEAN Malaysia, Ministry of Foreign Affairs from 2003 to 2004, he rose to become the Deputy Secretary-General for Multilateral Affairs from 2004 to 2006.

Upon his retirement from the Malaysian Foreign Service in 2010, he became a Director of OSK Investment Bank Berhad from 2010 to 2011. He was also the Malaysian Eminent Person to the ASEAN-India Eminent Persons Group from 2010 to 2012 and also served as Commissioner at the Malaysian Communications and Multimedia Commission from 2010 to 2013. He had also spent three years, beginning 2013 as Advisor, Tan Chong Motor Holdings and as member of the Ambassadorial Advisory Panel, InvestKL until 2019.

Dato' Thanarajasingam had also sat on MRCB Quill Management Board for three years, completing his term in January 2019.

Dato' Thanarajasingam is also an Independent Non-Executive Director of OSK Ventures International Berhad where he is Chairman of the Audit Committee and a member of the Risk Management Committee and the Nomination and Remuneration Committee.

Dato' Thanarajasingam does not have any family relationship with the other Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Dato' Thanarajasingam attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir

Independent Non-Executive Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
68	Female	Malaysian	19 April 2016

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir ("Tan Sri Siti Sa'diah") was appointed to the Board of the Company on 19 April 2016 as an Independent Non-Executive Director. She is the Chairman of the Risk Management Committee and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Tan Sri Siti Sa'diah holds a Bachelor of Economics from University of Malaya and a MBA from Henley Business School, University of Reading, London, United Kingdom. She was awarded with the Honorary Doctor of Letters from University of Reading in July 2018 and Honorary Doctor of Philosophy (Management) University Utara Malaysia in October 2019.

Tan Sri Siti Sa'diah served as a Non-Independent Non-Executive Director of KPJ Healthcare Berhad ("KPJ") since 1 January 2013 until 31 March 2020. Prior to that, she served as the Managing Director of KPJ from 1 March 1993 until her retirement on 31 December 2012. She had also served as KPJ's Corporate Advisor from 1 January 2013 until 31 December 2014. She was the Chairman of KPJ Healthcare University College ("KPJUC") from 1 August 2011 to December 2016 and the Pro-Chancellor of KPJUC from August 2011 to December 2018. She has been appointed as the Chancellor of KPJUC with effect from 1 January 2019.

Tan Sri Siti Sa'diah's career with Johor Corporation ("JCorp") commenced in 1974 and she has been directly involved in JCorp's Healthcare Division since 1978. She was appointed as the Chief Executive of Kumpulan Perubatan (Johor) Sdn. Bhd. since 1989 until the listing of KPJ in November 1994. Throughout her career in KPJ, Tan Sri Siti Sa'diah was directly involved in developing and implementing the transformational strategies which made KPJ one of Malaysia's leading private healthcare services providers today.

Tan Sri Siti Sa'diah currently sits as the Chairman of Duopharma Biotech Berhad and she has been appointed as an Independent Director of Lotte Chemical Titan Holding Berhad effective from 1 February 2019. She was an Independent Non-Executive Director of Bursa Malaysia from 2004 to 2012.

Committed to promoting excellence in healthcare, Tan Sri Siti Sa'diah was the President of Malaysian Society for Quality in Health (MSQH), the national accreditation body for healthcare services, elected since its inception in 1997 until her retirement in December 2018. She served as the Chairman of Board of University Utara Malaysia from June 2016 to September 2018. Tan Sri Siti Sa'diah is currently the Pro-Chancellor of University Technology Malaysia (UTM) since October 2016.

In 2010, Tan Sri Siti Sa'diah was named the "CEO of the Year 2009" by the New Straits Times Press and the American Express. She has also received many more awards and accolades from 2011 to 2015, due to her contributions to the healthcare industry in Malaysia.

Tan Sri Siti Sa'diah launched her biography entitled "Siti Sa'diah: Driven by Vision, Mission and Passion", penned by Professor Rokiah Talib, Penerbitan Universiti Kebangsaan Malaysia in 2013.

Tan Sri Siti Sa'diah does not have any family relationship with the other Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company. She has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Tan Sri Siti Sa'diah attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Leong Keng Yuen

Independent Non-Executive Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
70	Male	Malaysian	25 May 2018

Leong Keng Yuen ("Mr. Leong") was appointed to the Board of the Company on 25 May 2018. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company.

Mr. Leong retired as a partner of Ernst & Young Malaysia at the end of 2005. He has over 30 years of involvement in the accounting profession.

Mr. Leong is a Chartered Accountant and a member of the Malaysian Institute of Accountants. Mr. Leong holds a Master of Science in Management from Massachusetts Institute of Technology and a Bachelor of Engineering (First Class Honours) from University of Queensland, Australia.

Mr. Leong is currently the Independent Non-Executive Chairman of OSK Ventures International Berhad, a Director of Hexza Corporation Berhad, The Perak Chinese Welfare Association and a Trustee of Datin Seri Ting Sui Ngit Foundation.

Mr. Leong does not have any family relationship with the other Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Mr. Leong attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

DIRECTORS'
PROFILE

Ong Yee Ching

Non-Independent Non-Executive Director

AGE	GENDER	NATIONALITY	DATE APPOINTED TO THE BOARD
43	Female	Singaporean	19 April 2016

Ong Yee Ching ("Ms. Ong") was appointed to the Board of the Company on 19 April 2016 as a Non-Independent Non-Executive Director of the Company. She is a member of the Risk Management Committee of the Company.

Ms. Ong holds a Master Degree in Commerce, majoring in Finance, from the University of New South Wales, Australia and a Bachelor of Commerce majoring in International Business from Curtin University of Technology, Australia. Ms. Ong started her career in KPMG Corporate Finance (Malaysia and Singapore) in 1999 before joining Swiss-Garden International Hotels, Resorts & Inns (Malaysia) in 2005. Ms. Ong was the Assistant Vice President, Group Investment Division (Corporate Development) in OCBC Bank (Singapore) from 2007 to 2009. Ms. Ong is currently the Chief Executive Officer of OSK Foundation and Director of several private companies.

Ms. Ong is the daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Executive Chairman and a major shareholder of the Company and Puan Sri Khor Chai Moi, the major shareholder of the Company. She is also the sister of Mr. Ong Ju Yan, the Group Managing Director of the Company and Mr. Ong Ju Xing, the Deputy Group Managing Director of the Company. She has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report. She has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Ms. Ong attended all the six Board Meetings of the Company held during the financial year ended 31 December 2020.

KEY SENIOR **MANAGEMENT'S PROFILE**

For Key Senior Management's Profiles of Tan Sri Ong Leong Huat @ Wong Joo Hwa, Mr. Ong Ju Yan, Mr. Ong Ju Xing and Dato' Saiful Bahri bin Zainuddin, kindly refer to the Directors' Profile in this Annual Report.

Puan Sri Khor Chai Moi

Executive Director, PJ Development Holdings Berhad

AGE	GENDER	NATIONALITY
68	Female	Malaysian

Puan Sri Khor Chai Moi ("Puan Sri Khor") was appointed as an Executive Director of PJ Development Holdings Berhad on 19 September 2000.

Puan Sri Khor holds a Master of Business Administration from the University of Hull, United Kingdom and a Bachelor of Business Degree in Accounting from the University of South Queensland, Australia. She was the Managing Director of Willowglen MSC Berhad before her retirement on 31 July 2013.

Puan Sri Khor is a Director of OCC Cables Berhad.

Puan Sri Khor is the wife of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Executive Chairman and a major shareholder of the Company. She is the mother of Mr. Ong Ju Yan, the Group Managing Director of the Company, Mr. Ong Ju Xing, the Deputy Group Managing Director of the Company and Ms. Ong Yee Ching, the Non-Independent Non-Executive Director of the Company.

Puan Sri Khor has no conflict of interest with the Company other than disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) which appears in this Annual Report. She has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Ong Ghee Bin

Chief Executive Officer, Property Development

AGE	GENDER	NATIONALITY
59	Male	Malaysian

Mr. Ong Ghee Bin ("Mr. Ong") was appointed the Director, Projects in July 2015 and appointed as the Chief Executive Officer, Property on 2 November 2015 and re-designated as Chief Executive Officer, Property Development on 1 January 2018.

Mr. Ong holds a Bachelor of Engineering (Honours) in Civil Engineering from University of Malaya.

Mr. Ong began his career in a civil and structural consultant engineering firm in 1985 before joining Sunway City Sdn. Bhd. in 1989 as Senior Project Executive. He subsequently rose through the ranks in the organisation over the next 25 years where he held various leadership roles in Property Development including his last held position as the Executive Director for Central Region.

Mr. Ong does not hold any directorship in any public companies.

Mr. Ong does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

KEY SENIOR
MANAGEMENT'S PROFILE

Ng Lee Huat, John

Chief Operating Officer, Construction

AGE	GENDER	NATIONALITY
61	Male	Malaysian

Mr. Ng Lee Huat, John ("Mr. Ng") was appointed the Chief Operating Officer of OSK Construction Sdn. Bhd. on 1 January 2017.

Mr. Ng holds a Certificate in Building Technology from Kolej Tunku Abdul Rahman, Kuala Lumpur.

Mr. Ng began his career in 1980 with Seloga Jaya Sdn. Bhd. He has then joined various construction companies including Taisei Corporation, Monoland Corporation Sdn. Bhd., NCT Building and Civil Engineering Sdn. Bhd. and Ireka Engineering & Construction Sdn. Bhd. where he led the project implementation team in project planning and execution, authority liaison, tendering and contracts management. He has over 30 years of experience in construction industry, covering project development and construction of infrastructure and building projects, airports, data centres and power stations.

Mr. Ng does not hold any directorship in any public companies.

Mr. Ng does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Yeoh Peik Hong, Daidre

Chief Operating Officer, OSK Supplies

AGE	GENDER	NATIONALITY
46	Female	Malaysian

Ms. Yeoh Peik Hong, Daidre ("Ms. Yeoh"), ACIS (CS) (CGP) was appointed as Chief Operating Officer, OSK Supplies on 1 September 2019.

Ms. Yeoh obtained her Institute of Chartered Secretaries and Administrators ("ICSA") professional qualification from London, United Kingdom in 1999. In 2002, she was elected Associate of ICSA, London. She also holds a Diploma in Business Management from Tunku Abdul Rahman College.

Ms. Yeoh began her career with Progress & Precision Sdn. Bhd. in 1998 and subsequently to other companies involved in management services and trading. She has been involved in all facets of human resources and corporate secretarial assignments and appointed as a Company Secretary of Willowglen MSC Berhad from 26 February 2008 to 30 September 2013. She also involved in the operations role with the trading company as a Director.

Ms. Yeoh does not hold any directorship in any public companies.

Ms. Yeoh does not have any family relationship with the Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

KEY SENIOR
MANAGEMENT'S PROFILE

Yeat Siew Hong

Chief Executive Officer, Cables

AGE	GENDER	NATIONALITY
64	Male	Malaysian

Mr. Yeat Siew Hong ("Mr. Yeat") was appointed the Chief Executive Officer of Olympic Cable Company Sdn. Bhd. on 1 December 1997.

Mr. Yeat holds a Bachelor of Science in Chemistry (Honours) from the University of Malaya and has additional qualifications of Associate Diploma from the Incorporated Society of Planters.

Mr. Yeat began his career with Associated Pan Malaysia Cement Sdn. Bhd. and subsequently joined Pamol Plantations Sdn. Bhd., a subsidiary of Unilevers PLC where he last held the position of an Estate Manager. Mr. Yeat joined OCC Cables Berhad, a wholly-owned subsidiary of PJ Development Holdings Berhad in 1991 as Head of Manufacturing before he assumed his current position in 1997.

Mr. Yeat is a Director of OCC Cables Berhad.

Mr. Yeat does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Tan Kheak Chun

Chief Executive Officer, Industrialised Building System (IBS)

AGE	GENDER	NATIONALITY
52	Male	Malaysian

Mr. Tan Kheak Chun ("Mr. Tan") was appointed the Chief Operating Officer of Acotec Sdn. Bhd. on 1 May 2008 and was subsequently appointed the Chief Executive Officer on 1 July 2011.

Mr. Tan holds a Bachelor of Science in Finance from the Southeast Missouri State University, Missouri, United States of America.

Mr. Tan began his career with OSK & Partners as a research analyst before joining Dindings Consolidated Group in 1996 where his last held position was as Chief Operating Officer before his appointment at Acotec Sdn. Bhd. He has vast experience in the building materials industry including Acotec, the manufacturer of Industrialised Building System wall panels.

Mr. Tan does not hold any directorship in any public companies.

Mr. Tan does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

KEY SENIOR **MANAGEMENT'S PROFILE**

Ting Chun Hong, Ivan

Chief Executive Officer, Vacation Club
Chief Operating Officer, SGI & Hotels Property

AGE	GENDER	NATIONALITY
54	Male	Malaysian

Mr. Ting Chun Hong, Ivan ("Mr. Ting") was appointed the Chief Operating Officer of SGI Vacation Club Berhad on 1 January 2013 and was subsequently appointed the Chief Executive Officer on 1 December 2014. On 20 May 2020, he was also appointed as Chief Operating Officer of SGI & Hotels Property.

Mr. Ting holds a Master of Business Administration from the University of Southern Queensland, Australia and a Postgraduate Diploma in Business Management from Prime College.

Mr. Ting joined SGI Vacation Club, the vacation club arm of the OSK Group in May 2005. He has over 20 years of vacation club experience in all aspects of the business from sales and marketing to overall operations. He is currently the Vice Chairman of the Malaysian Holiday Timeshare Developers' Federation.

Mr. Ting is a Director of SGI Vacation Club Berhad.

Mr. Ting does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

Chow Hock Kin

Chief Executive Officer, Capital Financing

AGE	GENDER	NATIONALITY
60	Male	Malaysian

Mr. Chow Hock Kin ("Mr. Chow") was appointed the Associate Director of Capital Financing on 1 July 2009 and was subsequently appointed as Director, Capital Financing on 1 January 2012. On 1 January 2020, he was appointed as Chief Executive Officer, Capital Financing.

Mr. Chow holds a Bachelor of Commerce from James Cook University, Queensland, Australia.

Mr. Chow brings with him over 25 years of practical experience in commercial banking prior to joining the OSK Group.

Mr. Chow does not hold any directorship in any public companies.

Mr. Chow does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

KEY SENIOR
MANAGEMENT'S PROFILE

Ng Lai Ping

Group Chief Financial Officer

AGE	GENDER	NATIONALITY
51	Female	Malaysian

Ms. Ng Lai Ping ("Ms. Ng") was appointed the Group Chief Financial Officer of OSK Group since 16 May 2016.

Ms. Ng is a Chartered Accountant and a member of the Malaysian Institute of Accountants, and a Fellow of the Association of Chartered Certified Accountants.

Ms. Ng began her career with Ernst & Young before joining Sunway Berhad Group in 2004 where she held various leadership positions including her last held position as the Deputy Chief Financial Officer of Sunway Berhad in 2016. She brings with her more than 25 years of experience in accounting and auditing, corporate finance, treasury and financial management in various industries including property development and investment, construction, manufacturing, capital financing, building materials and hospitality.

Ms. Ng does not hold any directorship in any public companies.

Ms. Ng does not have any family relationship with the Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Tio Jun Lim

Director/ Head, Corporate Strategy

AGE	GENDER	NATIONALITY
47	Male	Malaysian

Mr. Tio Jun Lim ("Mr. Tio") was appointed the Director/ Head, Corporate Strategy of OSK Group on 1 October 2019.

Mr. Tio is a Chartered Accountant and a member of Malaysian Institute of Accountants, and a member of Malaysian Institute of Certified Public Accounts.

Mr. Tio began his career with PwC Consulting before joining IBM in October 2002. He was with IBM until 2009 where his last position held was Senior Managing Consultant. In December 2009, Mr. Tio joined OSK Investment Bank Berhad as Head, Business Process and thereafter, joined RHB Investment Bank Berhad following the completion of its merger with OSK Investment Bank Berhad in November 2012. Mr. Tio rejoined OSK Group as Director/ Head, Business Process in September 2014.

Mr. Tio does not hold any directorship in any public companies.

Mr. Tio does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

KEY SENIOR
MANAGEMENT'S PROFILE

Mak Pick Wan, Chris

Chief Information Officer

AGE	GENDER	NATIONALITY
55	Female	Malaysian

Ms. Mak Pick Wan ("Ms. Mak") was appointed the Chief Information Officer of OSK Group in November 2015.

Ms. Mak holds a Bachelor of Science in Computer Science and Mathematics from Campbell University, North Carolina, United States of America.

Ms. Mak brings with her over 27 years of experience in Information Technology ("IT") managing various IT infrastructure and system deployment projects.

Ms. Mak does not hold any directorship in any public companies.

Ms. Mak does not have any family relationship with the Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Young Tat Yong

Chief Internal Auditor

AGE	GENDER	NATIONALITY
63	Male	Malaysian

Mr. Young Tat Yong ("Mr. Young") was appointed the Chief Internal Auditor of OSK Group on 1 April 2016.

Mr. Young is a Chartered Fellow of the Institute of Internal Auditors Malaysia and an associate member of the Chartered Institute of Management Accountants.

Prior to this appointment, Mr. Young was the Chief Internal Auditor of PJ Development Holdings Group. He had also served as the Vice President Finance of PJ Development Holdings Group's Hotels Division, where he was responsible for overseeing the overall financial management and corporate strategy for the Hotels Division. Prior to joining the Group, he had vast experience in both external and internal audit in other well-established organisations.

Mr. Young does not hold any directorship in any public companies.

Mr. Young does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2020.

KEY SENIOR
MANAGEMENT'S PROFILE

Wang Choon Hui, Debbie

Chief Human Resources Officer

AGE	GENDER	NATIONALITY
49	Female	Malaysian

Ms. Wang Choon Hui, Debbie ("Ms. Wang") is a highly experienced Human Resource ("HR") and People Development practitioner, in overseeing the full spectrum of HR functions in various industries, in both international and local organizations. She began her career more than 25 years ago with Fortune 500 organizations like Intel, Dell, Celestica in both local and regional roles.

Before joining OSK, Ms. Wang held the HR Director position for some local properties' developers and conglomerates. In her many roles in the different capacities, she was instrumental in delivering HR solutions to the respective business units, enhancing people engagement and inculcating an organization-wide coaching culture.

Ms. Wang holds a MSc in Human Resource Management from Portsmouth University, United Kingdom and she is also a Certified Workplace & Business Coach, and was appointed the Chief Human Resources Officer of OSK Group since 15 October 2019.

Ms. Wang does not hold any directorship in any public companies.

Ms. Wang does not have any family relationship with the Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

Woo Lai Mei

Head, Group Legal

AGE	GENDER	NATIONALITY
56	Female	Malaysian

Ms. Woo Lai Mei ("Ms. Woo") was appointed the Head of Legal of OSK Group on 1 September 2015 and was re-designated as Head, Group Legal on 1 January 2018.

Ms. Woo graduated from the University of Buckingham, United Kingdom with LLB (Second Class Upper, Honours).

Ms. Woo was admitted into the Honourable Society of Lincoln's Inn in 1986 and was called to the Degree of an Utter Barrister (at Law) in 1988. Upon her subsequent admission as an Advocate and Solicitor of the Supreme Court of Singapore in 1989, Ms. Woo practised law in reputable and leading law firms in Singapore such as Messrs Lee & Lee and Messrs Rajah & Tann in Singapore, for 11 years before returning to Malaysia.

Upon her return and admission as an Advocate and Solicitor Malaya, Ms. Woo continued her legal career in leading law firms such as Messrs Zul Rafique & Partners with particular focus on commercial litigation, for another few years before moving in-house as a corporate legal counsel with OSK Securities Berhad (which transformed into OSK Investment Bank Berhad in 2007).

In addition to her professional experience as an Advocate and Solicitor in two jurisdictions, Ms. Woo's multi-disciplinary experience included an assignment as a consultant with the Securities Commission Malaysia and close to four years, as the Chief Operating Officer/ Director of OSK Trustees Berhad. During her tenure as Chief Operating Officer/ Director of OSK Trustees Berhad, Ms. Woo represented OSK Trustees Berhad in many meetings and dialogues with Bank Negara Malaysia, various Ministries and government authorities, regulators and institutional bondholders and had also appeared before the Public Accounts Committee in Parliament.

Ms. Woo does not hold any directorship in any public companies.

Ms. Woo does not have any family relationship with the Directors and/ or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2020.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("the Board") of OSK Holdings Berhad ("OSK" or "the Company") is pleased to present our Corporate Governance ("CG") Overview Statement ("Statement") to provide shareholders and investors with an overview of the Company and its subsidiaries' ("OSK Group" or "the Group") CG practices, as set out in the Malaysian Code on Corporate Governance ("MCCG") for the financial year ended 31 December 2020 ("FY2020").

This Statement is prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Listing Requirements") and it is to be read in conjunction with the Company's Corporate Governance Report in respect of the FY2020 ("CG Report"), which is published on Bursa Malaysia and the Company's website.

https://www.bursamalaysia.com/market_information/announcements/company_announcement

http://www.oskgroup.com/corporate-announcements/

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

The Company is led by an experienced Board, with high personal integrity, business acumen and management skills, with whom the primary responsibility of charting the direction of the Group is entrusted.

The major responsibilities of the Board are outlined in the Board's Terms of Reference ("TOR") and Board Charter. In the FY2020, the Board discharged its key fiduciary duties, leadership functions and responsibilities as follows:

- Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour;
- Reviewed and approved the Company's strategies, business plans and policies;
- Oversaw the conduct of the Company's businesses and evaluated whether the businesses are being properly managed and sustained;
- Ensured competency and succession planning of the Board and Key Senior Management;
- Ensured a sound risk management framework;
- Ensured the adequacy and integrity of the Company's internal control system;
- Ensured effective communication with stakeholders; and
- Ensured the integrity of the Company's financial and non-financial reporting.

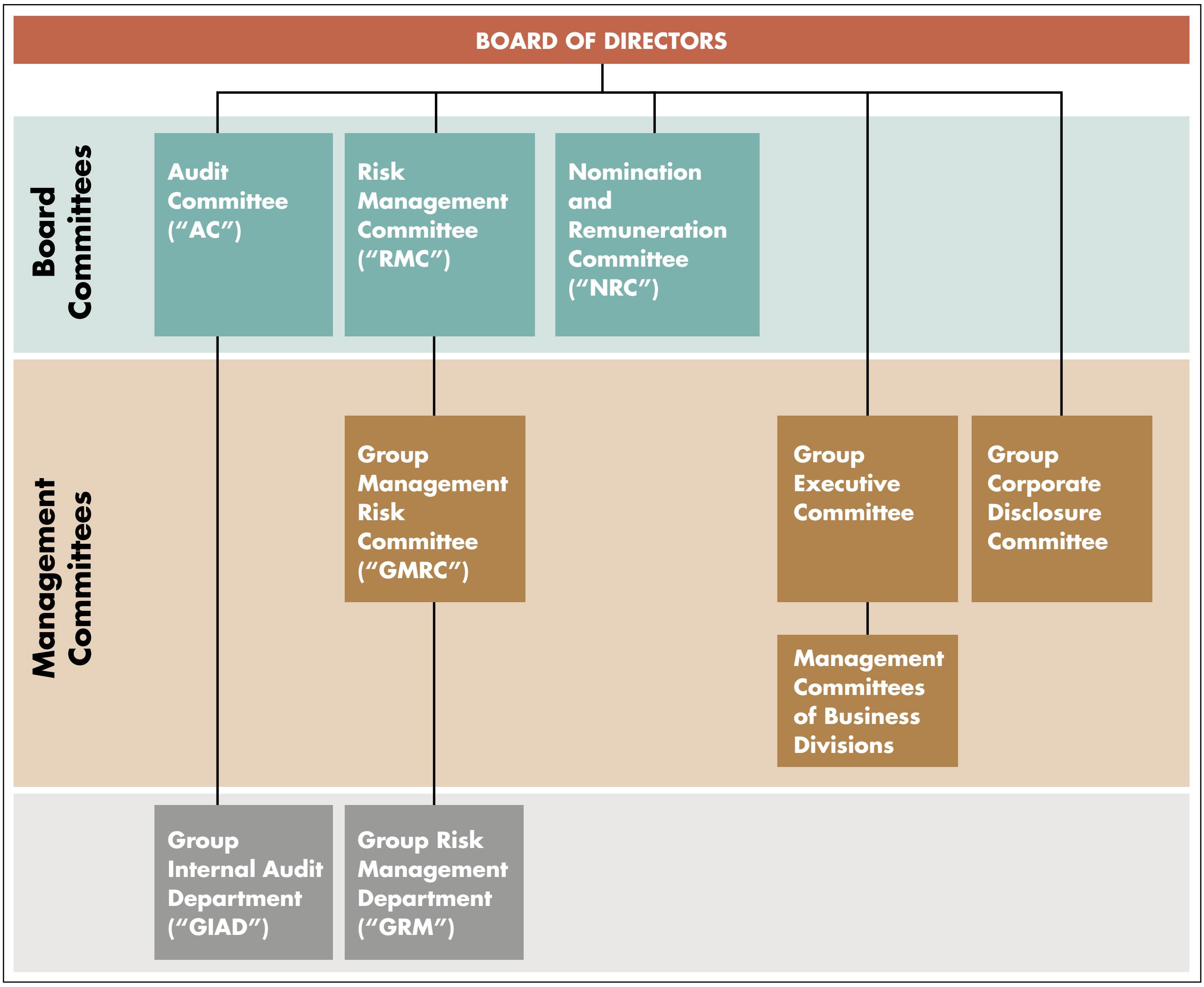
For the effective functioning of the Board, the Board has established the Board Committees and Management Committees to assist in the discharge of its responsibilities.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Group's Governance Structure as at 31 December 2020 is outlined as follows:



The Board Committees and Management Committees operate within clearly defined TOR, which sets out matters relevant to the composition, responsibilities and administration of these committees. The Board regularly reviews the TORs of the Board Committees to ensure they are consistent with rules and regulations prescribed under the Listing Requirements and MCCG.

The Board is helmed by the Executive Chairman, Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong") who strives to instil good CG practices, demonstrates strong leadership and oversees the effectiveness of the Board. The role of Chief Executive Officer ("CEO") is assumed by Mr. Ong Ju Yan, the Group Managing Director. The positions of Chairman and CEO are held by different individuals and their roles and responsibilities are distinct and clearly defined in the Board Charter.

On top of the above, Dato' Thanarajasingam Subramaniam has been identified by the Board as the Senior Independent Non-Executive Director of the Company to act as:

- a sounding board for the Chairman;
- an intermediary for other Directors when necessary; and
- the point of contact for shareholders and other stakeholders.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Board is supported by two Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are suitably qualified under the Companies Act 2016, and in all aspects in relation to compliance with the Companies Act 2016, Listing Requirements, MCCG and company secretarial matters. The Company Secretaries are keeping abreast of regulatory changes and corporate governance development. The Company Secretaries observe the Code of Ethics for Company Secretaries. The Board has full access to the advice and services of the Company Secretaries for the Board's, as well as the Company's affairs.

The Board met six times during the FY2020. All Directors complied with the minimum attendance requirement for Board meetings, as stipulated in the Listing Requirements (minimum 50% attendance). Details of Directors' attendance at Board and Board Committee meetings during the FY2020 are summarised as follows:

		Attendance of Meetings			
No.	Name of Directors	Board	AC	RMC	NRC
1.	Tan Sri Ong Leong Huat @ Wong Joo Hwa	6/6	-	-	-
2.	Ong Ju Yan	6/6	-	-	-
3.	Ong Ju Xing	6/6	-	-	-
4.	Dato' Saiful Bahri bin Zainuddin	5/6	-	-	-
5.	Dato' Thanarajasingam Subramaniam	6/6	4/4	5/5	2/2
6.	Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	6/6	3/4	5/5	2/2
7.	Leong Keng Yuen	6/6	4/4	-	2/2
8.	Ong Yee Ching	6/6	-	5/5	-

The Board Charter of the Company documented the governance and structure of the Board, authority, major responsibilities and TOR of the Board and Board Committees, matters reserved for the Board, and guidance on Board's conduct. The Board Charter was last reviewed and approved by the Board in November 2020.

It is the responsibility of the Board to ensure proper policies are in place to promote good business conduct with high ethical behaviour and integrity. The following policies have been established by the Board:

Code of Conduct and Business Ethics

The Group has adopted the Code of Conduct and Business Ethics and it was last reviewed by the Board in February 2018. The Code of Conduct and Business Ethics applies to all Directors and employees of the Group. The Company is committed to implementing high ethical standards as its core business principle in its daily business dealings with various business partners and external parties.

Fit and Proper Standards for Directors and Key Senior Management

The Group has adopted the Fit and Proper Standards for Directors and Key Senior Management and it was last reviewed by the Board in November 2020. The Fit and Proper Standards for Directors and Key Senior Management applies to all Directors and Key Senior Management, and sets the tone and standards from the top by exemplifying integrity and good character to promote and support an ethical culture, which engenders ethical conduct throughout all levels of the Group.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Anti-Bribery and Anti-Corruption Handbook ("ABAC Handbook")

The Board approved the adoption of the ABAC Handbook in November 2019 for OSK Group. The ABAC Handbook was subsequently rolled out in January 2020 to define and enforce the Group's zero tolerance position on bribery of all forms, matters of corruption and inappropriate conduct that might affect the Group legally and tarnish its reputation. This ensures the Group's continuous compliance with enforceable anti-bribery and anti-corruption laws. The Bahasa Malaysia version of this ABAC Handbook was published in the same year.

The ABAC Handbook covers the following areas:

- Anti-bribery and anti-corruption;
- Gifts and hospitality; and
- Dealing with third parties.

Fraud Policy

The Group established its Fraud Policy in August 2017, which was last reviewed and approved by the Board in November 2019 to supplement its stand on anti-bribery and anti-corruption matters. The Fraud Policy spelt out the Group's commitment in promoting good business conduct and maintaining a healthy corporate culture in alignment with OSK Group's core values. All directors and employees are expected to share this commitment. The Bahasa Malaysia version of this policy was subsequently released in March 2020.

Whistleblowing Policy

The Company has put in place the Whistleblowing Policy to contribute to an environment where integrity and ethical behaviour are maintained and any potentially illegal or improper conduct and/ or wrongdoing within the Group may be exposed. The AC oversees the administration of the Whistleblowing Policy in an impartial manner, under the purview of the Board. The Whistleblowing Policy was last reviewed and approved by the Board in August 2020. This Whistleblowing Policy is also translated into Bahasa Malaysia and published in the same year.

Related Party Transaction ("RPT") and Recurrent Related Party Transaction ("RRPT") Policy ("RPT & RRPT Policy")

The Group has adopted the RPT & RRPT Policy in December 2018. The RPT & RRPT Policy was subsequently reviewed and approved by the Board in April 2019 to ensure continuous compliance with the regulatory requirements.

The RPT & RRPT Policy aims to provide guidance in identifying, disclosing and reporting of RPT and/ or RRPT that must be adhered to by all Directors and employees of the Group.

Anti-Money Laundering and Counter Financing of Terrorism Policy ("AML Policy")

The Group has established the AML Policy in November 2018. The AML Policy outlines the framework and guideline in identifying, handling and reporting suspicious money laundering/ financing of terrorism activities under the Reporting Institutions within the Group and ensure compliance with applicable acts and regulations.

Disciplinary Procedures

The Group first established its Disciplinary Procedures in December 2018. It was subsequently reviewed and approved in May 2019 to cater for misconduct on act of corruption or bribery and social media matters.

The Disciplinary Procedures set out the framework for a clear and consistent administration and management of the disciplinary process practised within the Group.

The Board Charter, Code of Conduct and Business Ethics, Fit and Proper Standards for Directors and Key Senior Management, ABAC Handbook and the Whistleblowing Policy are available for viewing on the Company's website.

http://www.oskgroup.com/corporate-governance/

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

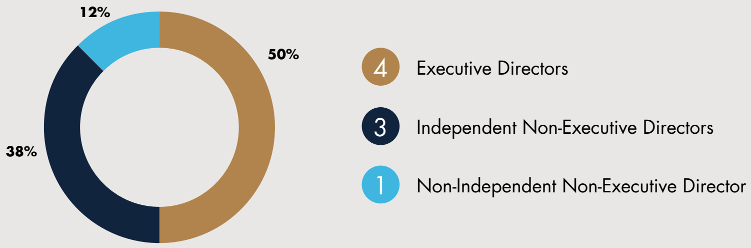
PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

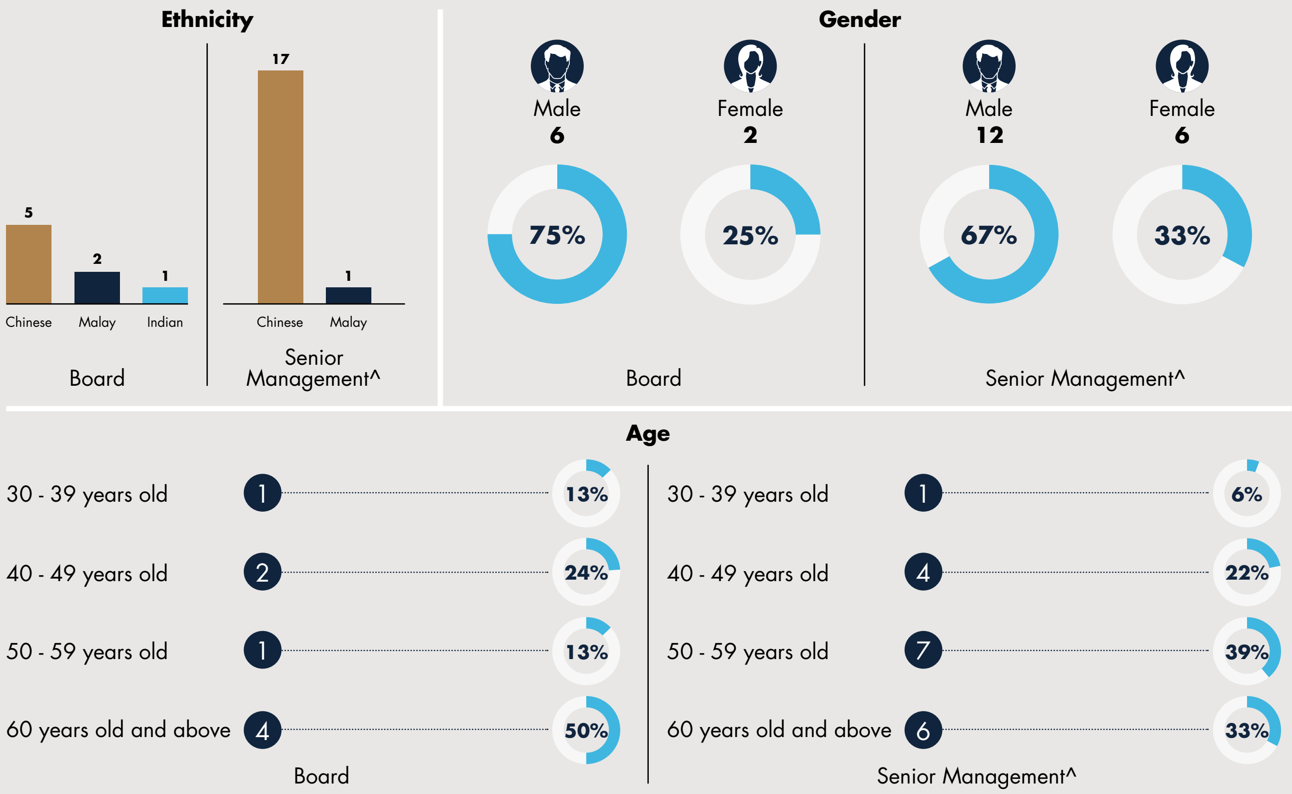
(II) Board Composition

The composition of the Board and Senior Management and Board Combined Skills Matrix, as at 31 December 2020, are illustrated as below:

Board Membership



Board and Senior Management Diversity



Note: *^includes four Executive Directors*

Board Combined Skills Matrix

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Group is led by an experienced and competent Board with diverse expertise and skillsets. The Board deems its composition as appropriate in terms of its membership and size. There is a good mix of skills and core competencies among members of the Board. The Board is well represented by individuals with diverse professional backgrounds, experience and skills, as per the Board's Combined Skills Matrix mentioned at the later part of this section. Every individual Director may possess one or more skillsets.

Independent Non-Executive Directors make up more than one-third (1/3) of the Board and complies with Listing Requirements. The Board views the number of Independent Non-Executive Directors currently enlisted as adequate to provide the necessary check and balance to the Board's decision-making process. The current panel of Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and exercising unbiased and independent judgement. The Board operates in a manner that ensures all Directors exercise independent judgement and the collective decisions made by the Board are in the best interest of the Company.

The Board recognises the risk of familiarity impeding the objectivity of Independent Directors and adopted a policy which limits the tenure of an Independent Director to nine years. The said policy is clearly set out in the Board Charter. In the course of the FY2020, none of the Independent Directors had served more than nine years on the Board.

The Company sees enhancing social and professional diversity among Board and Senior Management as essential in realising its strategic objectives and to ensure the Group's sustainable growth. For any Board and Senior Management appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a well-diversified Board and Senior Management to support the Group's vision and uphold governance within the Group.

The Board is also committed to ensure greater diversity in the representation of women within the Board and Senior Management through the adoption of the Diversity and Inclusion Policy.

The Board currently comprises eight Directors, out of whom two are women, which translates to a 25% female representation. The NRC will continue to source for a suitably qualified female candidate for appointment to the Board to meet the required minimum 30% women Directors representation, as prescribed under MCCG.

The Board-established NRC, is responsible for screening, evaluating and recommending to the Board suitable candidates for appointment as Directors and Key Senior Management members, as well as filling vacancies on Board Committees. The nomination process for the appointment of Directors and the criteria used by the NRC in the selection process are provided in the Board Charter. The NRC is chaired by Dato' Thanarajasingam Subramaniam, the Senior Independent Director of the Company.

The Company had adopted the Board Combined Skills Matrix which represents the skillsets/ experience that the Board views as imperative to its ability to provide effective oversight to the Group's affairs and strategic to steer the Company's business, strategy and operations moving forward. The combined values, experience and knowledge outlined under the Board Combined Skills Matrix would facilitate the NRC in identifying potential skillsets required to further enhance the current Board's competency, and serves as a guide for sourcing suitably qualified candidate(s) to further reinforce the Board's composition and diversity.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Board, through the NRC, has established a formal assessment mechanism to carry out an annual assessment on the effectiveness of the Board, Board Committees, and the contribution of each individual Director, including the independence of Independent Non-Executive Directors. The assessment criteria for individual Director was last reviewed and updated in November 2018 and are aligned with practices prescribed under MCCG. The performance aspects included in the assessment criteria for the Board, Board Committees and individual Directors, are described as below:

Assessment Criteria		
Board	**Board Committees**	**Individual Directors**
• Board mix and composition • Understanding of the Group's vision and mission • Succession planning and development • Oversight on risk and internal controls • Board Effectiveness • Communication to stakeholders	• Composition • Effectiveness in the respective jurisdictions • Group and business support • Contribution to financial and non-financial performance • Communication to Board	• Overall skillset and competency • Time commitment • Preparation for meetings • Contribution to Board oversight and leadership • Performance in discharge of fiduciary duties

In the FY2020, the NRC had carried out the abovementioned assessments. Assessment on Board Committees was conducted by way of self-assessment, whilst assessment on individual Directors was conducted by way of peer assessment. The results indicated that the Board as a whole, the Board Committees, and each individual Director had performed well and were effective in discharging their respective fiduciary duties. The overall composition of the Board in terms of size, combined skills and experience, core competencies and balance between the Executive Directors, Non-Executive Directors and Independent Directors, was deemed appropriate. Independent Directors also performed their role in exercising independence and upheld corporate accountability. In addition, the NRC also obtained the annual declaration of independence from each Independent Director to confirm their independent status, pursuant to the Listing Requirements. Post evaluation, each Board member had also been provided with the result of his/ her individual assessment together with accompanying comments, if any, for personal reference and further development.

In addition, during the FY2020, the NRC had conducted its annual assessment covering the following areas:

- The performance of the Directors who will be retiring at the 30th Annual General Meeting ("AGM") in year 2020, prior to recommending them for the Board's approval;
- The diversity of the Board and workforce composition in terms of gender, ethnicity, age and nationality;
- The training programmes attended by the Directors during the financial year;
- The performance of the Group Chief Financial Officer ("Group CFO"), who is primarily responsible for the management of the Company's financial affairs, pursuant to paragraph 2.20A of Listing Requirements; and
- The performance of the Company Secretaries in order to ensure the Board is supported by suitably qualified and competent Company Secretaries.

The Board views the current evaluation process as adequate to provide an objective assessment on the effectiveness of the Board, the Board Committees, and each individual Director, and that there was no necessity to engage an independent party to conduct the evaluation in the FY2020. The Board will review the necessity of engaging an independent party for Board evaluations on an annual basis.

All Directors of the Company recognises the need to continuously advance their skills and knowledge, and update themselves on current industry developments to effectively lead and navigate the Group in the current dynamic business environment. A dedicated training budget is allocated every year for Directors' continuing education. The Board, via the NRC, has in place an annual learning assessment to determine the training needs of each Director.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Key training programmes attended by each Director during the FY2020 are tabled below:

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Training Programmes

- Integrated Thinking & Value Creation Awareness
- Strategising Equity Portfolio for 2020
- Dialogue on Digital Banking: Why Does it Matter with Harjeet Baura
- Orderly and Fair Market
- Anti-Money Laundering (Part I)
- Invest Malaysia 2020
- Enlightenment on the Shariah Resolution Issued by Shariah Advisory Council of BNM 2020
- Anti-Money Laundering/ Counter Financing of Terrorism
- Finance for Board of Directors Programme (IF4BOD)

Ong Ju Yan

Training Programmes

- GEX's Inaugural Face2Face with Innovations Session
- HSBC Expert Call – USD Liquidity Dynamics
- Investment Impact of COVID-19
- Invest Malaysia 2020 the Capital Market Conversation
- Rethinking the Future of Real Estate
- How to Create Innovation and Build A Global Brand?
- HSBC Economic & FX Outlook
- Challenges to Monetary System
- The AFR Property Summit
- US Elections Outcome: What Impact on Asean?
- Global Commodities: Effects Rippling Through Asean
- The Implications of International Travel in Asean
- The New Asean Citizen - Behavior Driving Sector Outcomes
- Saving Tourism in Asean
- SCXSC Fintech Conference 2020
- Leadership Roles in Domestic Inquiry
- The Trend: 2020 U.S. Presidential Election Edition
- The ESG Journey
- World Aquaculture 2020 Webinar Series

Ong Ju Xing

Training Programmes

- GEX's Inaugural Face2Face With Innovations Session
- Digital Banking Sharing With OSK
- The AFR Property Summit
- Leadership Roles in Domestic Inquiry
- ASB'S LESA 2020 (Leadership & Entrepreneurship In Action with Charles Fine)
- ASB'S LESA 2020 (The Strategic Intra/ Entrepreneurial Organisation - Nail It, Scale It, Sail It with Leredana Padurean)
- ASB'S LESA 2020 (The Psychology of Excellent Entrepreneurship by Michael Frese)
- ASB'S LESA 2020 (A Dream Realized: Leading Lasting Transformation - Tito Mboweni & Albert Ting)
- ASB'S LESA 2020 (Empowering Through Trust and Foresight - Bruno Verdini)
- ASB'S LESA 2020 (Storytelling for Leaders - Muhammad Sabri)
- ASB'S LESA 2020 (The Leadership Energy Journey - Thun Thamrongnawasawat)
- Budget 2021 Updates by Deloitte

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Dato' Saiful Bahri bin Zainuddin

Training Programmes
- Invest Malaysia 2020
- Temporary Measures for Reducing the Impact of Coronavirus Diseases 2019 (COVID-19) Bill 2020
- Top Market Takeaways: 2020 U.S. Presidential Elections: What Do We Know So Far?
- US Elections Outcome and Market Impact
- The ESG Journey of HSBC Amanah - Delivering HSBC Group First
- Sustainable Bank By 2022

Dato' Thanarajasingam Subramaniam

Training Programmes
- Raising Defences: Section 17A, MACC Act
- Digital Economy & Market Outlook (Digital Economy Series)
- CMDP: Module 3 Risk Oversight and Compliance - Action Plan for Board of Directors
- CMDP: Module 4 Emerging and Current Regulatory Issues in The Capital Market

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir

Training Programmes
- Series 1 - Risk Oversight Practices
- Series 2 - Corporate Culture and ERM
- Series 3 - Risk Appetite, Tolerance and Board Oversight
- Series 4 - Strategic Erm: A Primer for Directors
- Series 5 - Evolving Expectations for Boards
- Series 6 - The Role of Boards in Fraud Risk Management
- Series 7 - Establishing and Empowered Board Risk Committee
- Series 8 - Directors Guide to ERM and ISO 3100
- Series 9 - Directors Guide to BCM and ISO 22301
- Series 10 - Directors Guide to Crisis Management and Leadership During Crisis
- Series 11 - Directors Guide to Risk Maturity Frameworks
- Series 12 - Cybersecurity Oversight in The Boardroom
- Series 13 - Establishing an Empowered Audit Committee
- Series 14 - Audit Committee's Guide to COSO 2013 And Internal Controls
- Series 15 - Directors Guide to GRC (Governance, Risk and Compliance)
- Series 16 - Governance and ERM, Including MCCQ 2017 Considerations

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Leong Keng Yuen

Training Programmes

- Stakeholder Primacy: Increased Emphasis on ESG
- Review Competitive Strategies Using Ai: A Board's Perspective
- Readiness, Response & Recovery Perspective
- Leadership Today: Authentic, Open & Transparent
- Cybersecurity Considerations Amid A Global Pandemic
- Leadership in Times of Distress
- Managing HR For the Long Haul: Road to Recovery
- In Times of Crisis: Stakeholders Take Centre Stage
- Leading Through Crisis and Uncertainty: Harnessing Mental Health and Resilience to Navigate Storms of Change
- The Path to The New Normal: So What Now For Leadership
- Rising Corporate Risks of Weaponised Fake News
- The New Normal of The Workforce
- COVID-19 Impact on Accounting, Reporting and Internal Control
- Section 17A, MACC (Amendment) Act 2018 & Adequate Procedures
- Data Driven Decision for Finance and Accounting Professionals
- The Cybersecurity & Cloud Growth in Digital Economy Post COVID-19
- Tax Implications for Debt Restructuring
- Integrated Reporting and Impact of COVID-19 On Value Creation
- EY Unstoppable Entrepreneurs-Retail And F&B
- Digital Transformation for SMEs In A Time of Crisis
- Strategic Tax Initiatives Post COVID-19
- Board Appointments - Making Diversity Work
- Unclaimed Moneys Act
- Mira Sustainability Programme
- Technical Update on IFRS (MFRS) 2020
- Temporary Measures for Reducing the Impact of Coronavirus Diseases 2019 (COVID-19) Bill 2020
- Budget 2021 - Tax Highlights

Ong Yee Ching

Training Programmes

- UBS Outlook 2020
- Acra-SGX-SID Audit Committee Seminar 2020
- Understanding & Succeeding in the China Market
- Business Continuity During A Contingency
- Business Updates and Investment Opportunities in Malaysia
- Communicating Strategically in a Crisis
- Tapping on the Rise of eCommerce during COVID-19
- Navigating Supply Chain Disruptions During The Pandemic
- The eCommerce Business Challenges and Opportunities Under the COVID-19 Outbreak
- Resilience and Opportunities in COVID-19: Insights from the F&B and Retail Sector
- Be An Effective Virtual Leader Through Remote Appreciation
- Innovate or Evaporate: How to successfully digitise your brick and mortar business
- From Surviving to Thriving: A Pathway to Future Proof Your Business
- Global Market Outlook & Business Risks Management
- Cyber Security Webinar Series (Part 1) : Anatomy of A Cyber Attack
- Cyber Security Webinar Series (Part 2) : Online Meeting Platform & Remote Working: Security Challenges & Solutions
- Cyber Security Webinar Series (Part 3) : Is your organisation cyber resilient

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Ong Yee Ching (cont'd)

Training Programmes
- Goldman Webinar Series: Testings, Therapies, Vaccines and Hospital Preparedness
- Financial Times COVID-19 Impact Series: The future of retail
- Goldman Webinar Series: Leadership in Crisis: Navigating Uncertainty
- Goldman Webinar Series: The future for macro policy and markets
- Goldman Webinar Series: Emerging Post Pandemic - Reflections on Key Industries
- Antifragile: Thriving in Difficult Times
- Goldman Webinar Series: Accelerating Digitalisation and the Future of Real Estate
- Post COVID-19: Business Updates and Outlook in Malaysia
- Wooing the Post COVID Customer: The New Consumption Normal
- UBS Mid Year Outlook 2020
- Global Virtual Roundtable 2: The New Normal for Boards
- BOS: Charting a new course: Thought Leadership - Predictability, Probability and Profitability
- BOS: Charting a new course: Thought Leadership - Charting the New Chapter
- BOS: Charting a new course: Thought Leadership - The Way Forward
- Debt Recovery for Businesses
- BOS: The New Normal - Will C-19 accelerate or derail the Asian Century
- The New Era of Globalisation after COVID-19
- Reviewing Financial Statements and Selecting Auditors
- SID Directors Virtual Conference 2020
- Impact of Internal Tax Rule Changes
- IMPACT Investing
- Imagining The Unimaginable - Scenario Planning
- Forbes Asia CEO Conference (Day 1)
- Forbes Asia CEO Conference (Day 2)

The Directors will continue to participate in relevant training programmes to keep abreast of the latest developments in the capital markets, changes in laws and regulations, CG matters, as well as current business issues and concerns, from time to time.

(III) Remuneration

The Board has adopted a Remuneration Policy for the remuneration of Directors and Key Senior Management. The Board is aware that a fair remuneration is critical to attract, retain and motivate its Directors and Key Senior Management.

The Remuneration Policy is reviewed periodically with its last review in February 2018. The Remuneration Policy is available for viewing on the Company's website.

http://www.oskgroup.com/corporate-governance/

In the FY2020, the NRC carried out an annual review of the Directors' remuneration, whereupon its recommendations were submitted to the Board for approval. Such annual review is implemented to ensure that the Directors' remuneration package remains sufficiently attractive to continue to attract and retain high-calibre Directors, whilst ensuring that it commensurate with their responsibilities in the effective management and operations of the Group. The remuneration package for Directors was collectively determined by the Board, in accordance with NRC's recommendations. Each Director concerned abstained from deliberation and voting on his/ her own remuneration.

The details of Directors' remuneration for the FY2020, including a breakdown of each individual Director's remuneration such as fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Note 40 of the Financial Statements in our Annual Report 2020.

In the forthcoming AGM, the Company would be seeking shareholders' approval for the Directors' fees payable to Non-Executive Directors for the FY2020 and for the financial year ending 2021 until the next AGM in year 2022.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) Audit Committee

The AC comprises exclusively of three Independent Non-Executive Directors. AC members collectively possess a wide range of necessary skills and are financially literate to discharge their duties in an efficient and effective manner. The AC Chairman, Mr. Leong Keng Yuen, is not the Chairman of the Board as the Board acknowledges that the AC, being an independent and objective body, should function as the Company's independent watchdog to ensure the integrity of the Company's financial controls and financial risk management is upheld at all times. The performance of AC members is reviewed by the NRC annually.

The TOR of the AC includes the requirement for a former key audit partner of the Company to observe a cooling-off period of at least two years before being appointed as a member of the AC. In the FY2020, none of the AC members were former key audit partners of the Company.

The AC's composition and details of the key activities carried out by the AC during the FY2020 are set out in the AC Report of our Annual Report 2020.

(II) Risk Management and Internal Control Framework

The GRM is responsible for managing, monitoring and reporting all risk management activities within the Group. In providing assurance to the Board on the Group's risk management adequacy and effectiveness, the GRM, under the purview of GMRC, actively oversees the Group's enterprise risk portfolio determined via the Risk Control Self-Assessment approach. The GMRC reports to RMC on a quarterly basis, presenting its risk evaluations and reports, and highlighting all imminent and existing risks with corresponding mitigation measures enforced by the respective Business Divisions. The RMC, in turn, shares its findings and recommendations with the Board. To safeguard its objectivity, the RMC is composed of a majority of Independent Directors and is chaired by an Independent Director.

The AC is established by the Board to provide independent oversight on the Company's internal and external audit functions, financial reporting, internal control systems and to ensure proper checks and balances within the Company.

The internal audit function is assumed by the GIAD, which is responsible for the overall internal audit activities of the Group. It functions independently of the activities it audits. The GIAD Head reports directly to the AC. The GIAD assists the AC in discharging its duties and responsibilities to provide reasonable assurance on the adequacy and effectiveness of the system of risk management and internal control by conducting independent, objective and systematic review of the internal control processes in addressing the risks identified and that established policies and procedures, applicable laws and regulations are complied with.

The AC is satisfied that the GIAD possesses the necessary competencies, experience and sufficient resources needed to carry out its function effectively.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control in our Annual Report 2020.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(I) Communication with Stakeholders

The Board emphasises the importance of providing timely and reliable disclosure to stakeholders and views the practice as integral to good CG and forms an inseparable part of the Group's operations and culture. As such, the Group maintains an effective communication policy and engagement with our partners, investors and members of the public to build trust, support and understanding between the Group and all our stakeholders.

The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, to ensure appropriate handling and disclosure of material information to our shareholders, regulators and the investing public. The policy is put in motion with the formation of the Group Corporate Disclosure Committee that functions under the purview and authority of the Board. The policy was last reviewed and approved by the Board in November 2020.

The Board also recognises that effective dissemination of communiques related to the Company's business strategies, financial performance and business initiatives, as essential to upholding transparency and the Group's good standing within the investing community.

To this end, various communication channels are actively employed to share up-to-date information on the Group's developments and successes. These include, but are not limited to, AGM, annual report, quarterly announcements and material disclosures to Bursa Malaysia, press releases, media, customer and investor events, as well as the Company's website.

The Company's designated senior management officer, Group CFO, Ms. Ng Lai Ping, is entrusted to address investment-related enquiries from shareholders, investors and the general public via the dedicated e-mail address at ir@oskgroup.com.

The profile of Ms. Ng Lai Ping is set out in the "Key Senior Management's Profile" section in our Annual Report 2020.

In delivering the Board's commitment to build greater confidence and trust with our stakeholders, the Company has made further progress in incorporating elements of the International Integrated Reporting <IR> Framework into our corporate reporting during the financial year. A plan has been put in place to progressively adopt the <IR> Framework on a staged basis from the FY2020 onwards. Among the objectives in adopting the <IR> Framework is to further enhance the quality of our disclosure, while promoting a more efficient reporting approach in disclosing the various factors that materially affect our ability to create value over time. The improvement is envisioned to further strengthen the Company's corporate governance culture and accountability towards our stakeholders. Being an ongoing process, all stakeholders are welcome to provide feedback and comments at info@oskgroup.com as the Company progressively improves the disclosure standards and practices.

(II) Conduct of General Meetings

The AGM has been the main forum for shareholders to engage with the Board to facilitate greater understanding of the Company's business, governance and performance.

For the FY2020, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for its first fully virtual 30th AGM held on 12 June 2020. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

PRINCIPLE C

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

The Notice of 30th AGM, the relevant explanatory notes providing background information, reports or recommendations related to the proposed resolutions and the Form of Proxy were sent to shareholders at least 28 days prior to the date of the 30th AGM, so as to afford shareholders sufficient time to consider the proposed resolutions at the 30th AGM as well as to allow for arrangement of proxies to attend the 30th AGM on their behalf, if so required.

All Directors, Chairmen of AC, RMC and NRC attended and participated the 30th AGM physically or virtually due to travel restrictions amidst the COVID-19 pandemic. The Chairman of the 30th AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer sessions during the 30th AGM. The Directors had actively responded to relevant questions addressed to them during the 30th AGM. The Group CFO and representatives from external auditors were also present at the broadcast venue to respond to queries raised by shareholders.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 30th AGM together with the Company's responses.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board will continue to strive for achieving high standards of CG and to implement improvement measures in the CG areas. For the FY2020, the Board has incorporated the policy governing the tenure of independent directors not to exceed nine years in the Board Charter. The Board has also reviewed and approved the following in the FY2020 to ensure compliance with the latest development of regulatory requirements and CG best practices:

- Board Charter
- TOR for the Board of Directors
- TOR for the AC
- TOR for the NRC
- Fit and Proper Standards for Directors and Key Senior Management
- Whistleblowing Policy
- Corporate Disclosure Policy

In view of the challenging business environment arising from COVID-19 pandemic, the Board focused on business recovery and long term sustainability of the Group to ensure continuity of value creation for stakeholders in year 2020. The Board through the NRC will continue to review the Board's composition, taking into consideration Board gender diversity and independence, on an annual basis. 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. The pursuit to actively source for suitable qualified candidates to achieve the minimum 30% female representation and to reinforce its independence will continue to be a priority of the Board and NRC's annual corporate governance agenda.

Board's Gender Diversity

The Board targeted to achieve the minimum 30% female representation by year 2022, subject to annual review.

This Statement was approved by the Board of Directors of the Company on 26 February 2021.

AUDIT COMMITTEE **REPORT**

The Audit Committee ('Committee') was established by the Board of Directors to assist them to carry out their responsibilities. The Committee is guided by its Terms of Reference ("TOR") which sets out the authority, duties and functions of the Committee. The TOR was reviewed and updated in November 2020 to take into account developments in the regulatory and listing requirements. The TOR is published on the Company's website.

http://www.oskgroup.com/corporate-governance/

The Committee is pleased to present its Report for the financial year ended 31 December 2020.

Composition

The Committee comprises three (3) members all of whom are Non-Executive and Independent Directors. This meets the requirements of Paragraph 15.09(1)(2) of the Bursa Malaysia Listing Requirements (Listing Requirements).

The Chairman of the Committee is not the Chairman of the Board. This is in line with Practice 8.1 under the MCCG 2017.

The Committee consists of the following members:

- Leong Keng Yuen
  Chairman, Independent Non-Executive Director

- Dato' Thanarajasingam Subramaniam
  Senior Independent Non-Executive Director

- Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir
  Independent Non-Executive Director

Attendance of Meetings

During the financial year ended 31 December 2020, the Committee held a total of four (4) meetings. The details of attendance of the Committee members are as follows:

Name	95th Quarter ACM 25.02.2020	96th Quarter ACM 19.05.2020	97th Quarter ACM 26.08.2020	98th Quarter ACM 17.11.2020	Attendance (%)
Leong Keng Yuen (Chairman)	√	√	√	√	4/4 (100%)
Dato' Thanarajasingam Subramaniam	√	√	√	√	4/4 (100%)
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	Absent with apology	√	√	√	3/4 (75%)

The meeting held on 25 February 2020 was a physical meeting while the rest were held either virtually or a hybrid of it due to the Conditional Movement Control Order ("CMCO") directed by the Malaysian Government arising from the COVID-19 pandemic. The Committee meetings were also attended by the Group Chief Financial Officer, Head of Finance, the Chief Internal Auditor, senior representatives of the external auditors (when required) and the Company Secretary.

The Company Secretary is responsible for coordinating administrative details such as calling for meetings and keeping the minutes. Minutes of each meeting were recorded and tabled for confirmation at the next following Committee's meeting and subsequently presented to the Board for notation. The extract of matters requiring actions arising from the Committee meetings were distributed to relevant attendees for them to update the Committee in the next meeting and these were properly dealt with and minuted.

AUDIT COMMITTEE
REPORT

Summary of Activities

During the financial year under review, the following were the activities of the Committee:

Internal Audit

1. Reviewed and approved the risk-based annual internal audit plan to ensure adequate scope and coverage on the activities of the Company and the Group;

2. Reviewed and deliberated on the internal audit reports from audits conducted by the Group Internal Audit Department;

3. Appraised the adequacy of actions and remedial measures taken by Management in resolving the audit issues reported including updates of audit follow up;

4. Reviewed the adequacy of internal audit staff resources to ensure audit works were carried out effectively and that they have the authority to carry out their work;

5. Assessed the performance of the Group Internal Audit function to ensure its effectiveness and activities were performed independently and with impartiality and due professional care.

6. Held a private session with the Chief Internal Auditor in February without the presence of the Management.

Financial Reporting

1. Reviewed the quarterly financial results as well as the year-end financial statements of the Group and ensured that the financial reporting and disclosure requirements had been complied with before recommending them to the Board for approval, focusing particularly on:
   - any changes in or implementation of accounting policies and practices;
   - significant adjustment arising from the audit, if any;
   - the going concern assumption;
   - significant and unusual events; and
   - compliance with accounting standards and other legal requirements.

2. Discussed with Management, amongst others, the accounting principles and standards that were applied and critical judgement exercised, if any that may affect the financial results; and

3. Confirmed with Management and the external auditors that the Group's and the Company's audited financial statements have been prepared in compliance with applicable Financial Reporting Standards.

External Audit

1. Reviewed the interim financial information review plan of the external auditors for the 6 months financial period from 1 January to 30 June 2020 and discussed their audit approach, deliverables and engagement team;

2. Reviewed the report from the external auditors for the six months financial period ended 30 June 2020. Reviewed and discussed the management letter for improvement arising from the review;

3. Reviewed the audit plan for the financial year ending 31 December 2020 from the external auditors to discuss their audit approach, areas of significant auditor attention, engagement team, reporting key dates and deliverables, and any updates on financial reporting and/or changes to listed issuers' reporting requirements prior to the commencement of their annual audit;

4. Reviewed the annual audited financial statements of the Company and the Group prior to submission to the Board for approval;

5. Reviewed and discussed the key audit and accounting matters highlighted by the external auditors including internal control matters and recommendations made by them on their evaluation of the system of internal control and the Management's comments;

AUDIT COMMITTEE
REPORT

Summary of activities (Cont'd)

External Audit (Cont'd)

6. Assessed the performance of the external auditors, including their capabilities, objectivity and independence, in accordance with the Policy and Guidelines on the Performance Evaluation of External Auditors on an annual basis. The external auditors provided an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements. Pursuant to the Policy, the engagement and concurring partners responsible for the Group audit are rotated at least every five (5) financial years. Based on this evaluation, the Committee is satisfied with the external auditors' performance and their audit independence; and

7. Held two private sessions with the external auditors in February 2020 and August 2020 without the presence of the Management. There were no concerns from the external auditors and they conveyed that they had been receiving full cooperation from the Management and staff.

Whistleblowing and Investigation

1. Reviewed and recommended the Revised Whistleblowing Policy to the Board of Directors for approval; and

2. Reviewed and discussed reports of whistleblowing cases and investigations that were carried out during the year by the internal auditors arising from whistleblowers' reports received.

Risk Management and Internal Control

1. Reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Listing Requirements and recommended to the Board for approval;

2. Reviewed and discussed significant risk issues that may likely impact on the performance of the Group's business; and

3. Reviewed the effectiveness and efficiency of internal controls and risk management processes.

Related Party Transactions

1. Reviewed the related party transactions entered into by the Group and any conflict of interest situation that may arise within the Company and its subsidiary companies including any transaction, procedure or course of conduct that raises questions of management's integrity as well as to ensure that the transactions are fair and reasonable, and are not to the detriment of the minority shareholders;

2. Reviewed and recommended to the Board of Directors for approval on the proposed Directors' discount/rebate for purchase of properties developed by the Group; and

3. Reviewed the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and recommended the same to the Board of Directors for approval.

Bursa Malaysia's Circular

Reviewed and discussed Bursa Malaysia's circular dated 21 October 2020 on the key observations on the Internal Audit Function of listed issuers. The Chief Internal Auditor presented the thematic study conducted by Bursa Malaysia which assessed seven criteria on the Internal Audit function and provided his comments on each of these criteria that these are being consistently applied as applicable to OSK Group.

Internal Audit Function

The Internal Audit function is carried out by the Group Internal Audit Department ("GIAD") which is responsible for the overall internal audit activities of the Group.

The GIAD is guided by the Internal Audit Charter and functions independently of the activities and operations it audits. The GIAD carries out its work objectively primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors. OSK Holdings Berhad is a corporate member of the Institute of Internal Auditors ("IIA") Malaysia. Some of the internal audit staff are also members of IIA Malaysia.

Internal Audit Function (Cont'd)

The GIAD currently has a total manpower of 12 staff including the Chief Internal Auditor ("CIA") and all of them are free from any relationships or conflicts of interest. The CIA reports directly to the Committee.

The GIAD assists the Committee in discharging its duties and responsibilities to provide reasonable assurance on the adequacy and effectiveness of the system of risk management and internal control by conducting independent, objective and systematic review of the internal control processes in addressing the risks identified and that established policies and procedures, applicable laws and regulations are complied with.

A risk-based audit plan for the year was presented to the Committee for discussion and approval. The audit plan prioritised the audit review according to the Group's objectives, key risks and core/priority areas and also covered the review of the adequacy of operational and accounting controls, compliance with applicable laws and regulations, policies and procedures, safeguard of assets as well as governance processes.

During the financial year ended 31 December 2020, the GIAD conducted audits of the various business divisions and corporate functions. Key areas covered were:

- Project implementation and management
- Financial management and project final accounts
- Contracts administration for property and construction
- Customer care and defects rectification of completed properties
- Sales and Marketing of property projects
- Unsold inventory on completed property projects
- Hotels operations
- Vacation club operations
- Factory operations covering production control, inventory management, security, health and safety
- Sales and Marketing and Technical Support for IBS products
- Building management services and car park operations
- Tenancy Management and leasing operations of office and commercial lettable areas
- Credit control, accounts receivable and collection
- IT systems review covering access security, network and server management, backup and IT asset management.
- Harvesting, weeding and manuring operations at oil palm plantation
- Payment process, accounts payable, bank reconciliations and general accounting control
- Treasury and cash flow management
- Group Human Resource operations
- Related Party and Recurrent Related Party Transactions monitoring, reporting and disclosure
- Regulatory compliances

The GIAD submits audit reports issued during each quarter to the AC members for their review and these are discussed at the quarterly Committee meetings with a summary report tabled by the CIA providing his opinion on the adequacy and effectiveness of the systems of risk management and internal control noted on the audits conducted. At the Committee meetings, the CIA highlights any significant weaknesses reported, root causes for them and the corrective measures taken as well as the status of the internal audit plan and other administrative matters pertaining to staffing and training.

The CIA also provides a summary of the follow up status on the agreed actions by the Management for corrective measures on risks or internal control weaknesses identified in the audits for implementation. The GIAD also conducts follow-up works to check whether the Management has carried out the agreed actions to rectify and correct deficient conditions and improve control processes. The Committee monitors and reviews the effectiveness of the internal audit activities thereby ensuring that these activities contribute to the ongoing effectiveness of the system of internal control.

In addition, the GIAD had conducted in-house training for the various operating units' personnel to enhance their awareness on internal controls, role of internal audit and fraud policy. Staff of the GIAD also attended various in-house initiated training covering various areas for their self- development and knowledge enhancement which included relevant webinars.

The total payroll and related costs incurred for the internal audit function of the Group for the financial year ended 31 December 2020 amounted to RM 2,088,536.19. Overall, the Committee is satisfied with the performance of the Internal Audit function.

Performance of Committee

The performance of the Committee was assessed annually through self-evaluation and the Nomination & Remuneration Committee reviewed the results of such assessments. During the financial year ended 31 December 2020, the Board is satisfied that the Committee has discharged its statutory duties and responsibilities in accordance with the terms of reference of the Committee.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of OSK Holdings Berhad ("OSK" or "the Company") and its subsidiaries ("OSK Group" or "the Group") for the financial year ended 31 December 2020. This statement is prepared pursuant to Paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The objective of establishing a sound risk management framework and an adequate and effective system of internal control is to safeguard shareholders' investment and the Group's assets, as outlined in the Malaysian Code on Corporate Governance.

The Board's Responsibility

The Board is committed to ensure the effectiveness of risk management and internal control systems by continuously reviewing the completeness and adequacy of controls and integrity of the Group's systems. The Management assists the Board in the implementation of policies and procedures on risk and control by identifying and assessing risks with mitigating controls. The Board also acknowledges that the Group's risk management and internal control systems are designed to mitigate risks threatening the achievement of the Group's business and corporate objectives and that the systems in place can provide only reasonable but not absolute assurance against material misstatement.

To ensure the integration of effective governance structures and processes, the Board has set up a Risk Management Committee ("RMC") which comprises of independent directors in majority to oversee the Group's risk management framework.

Risk Management's Role

The Management is responsible to assist the Board in ensuring a sound, robust Risk Management Framework and implement appropriate systems and processes. In this regard, the Group Managing Director and Group Management Risk Committee ("GMRC") have given their assurance that the risk management and internal controls of the Group are in place, adequate and effective.

The Group's risk management function is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines to embed Enterprise Risk Management ("ERM") into activities and processes of the Group. ERM enables the Group to identify, assess and mitigate risks systematically through the following diagram presentation:

Group Risk Management (GRM) Function		
Ascertain functional responsibilities and accountabilities within committees and sub-committees work group for management of risks.	Establish a Risk Management Framework that sets risk appetite and risk tolerance based on measurable parameters related to critical risks.	Develop, ascertain and monitor risk mitigations strategies which are in line with the risks of the Group.

In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, Group Risk Management ("GRM"), continually review and enhance the risk management process in identifying and mitigating all major risks of the Group.

On a quarterly basis at the respective business division management committee meetings, major risks and mitigation controls from the various operating subsidiaries are highlighted and deliberated. Thereafter, the consolidated risk profiles are updated in the Group Management Risk Committee ("GMRC") meetings. The consolidated risk profiles are reported to the RMC and the Board of Directors on a quarterly basis while ad-hoc or new critical risks will be escalated to the Board for deliberation.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

Internal Audit's Role

Internal auditing is an independent, objective assurance and consulting activity designed to improve and add value to the Company's operations. The internal auditors review the adequacy and the integrity of the risk management and internal control systems, assess compliance with applicable laws and regulations, ascertain compliance with policies and procedures and make appropriate recommendations in improving the internal control and governance processes in the Group.

The internal auditors report directly to the Audit Committee of the Group. The Audit Committee monitors and reviews the effectiveness of the internal audit activities and that actions have been taken by Management to correct the deficiencies and improve control processes highlighted.

Risk Monitoring & Reporting

The Group determines risks based on the assessment of the operating environment and nature of our property, construction, property investment, hospitality, industries and financial services businesses as well as the Head Office support functions. The identified risks are closely monitored and managed.

In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, GRM, under the purview of GMRC, actively monitors the Group's portfolio of major risks via the Risk Control Self-Assessment ("RCSA") approach. The quarterly risk reports from all Business Divisions are consolidated and updated to GMRC and RMC for their review and deliberation.

The Board will meet and deliberate on the key risks identified quarterly. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group. GRM is accountable for effectiveness of the implementation of the risk management framework as well as facilitating risk management structure, processes and systems to support risk assessment activities at the business unit levels.

Managing Key Risks

For the financial year under review, GRM has identified key risks for the Group. These were presented to the Board where internal controls and risk mitigation strategies were highlighted. Table below describe some examples of the key risks deliberated.

Key Risk	Description	Strategic Response
Market risk	The risk arising from the slowdown in Malaysia's GDP growth that can have an adverse impact on the Group's revenue and business.	In terms of mitigation, the Group reviews the business plan and strategies periodically to protect both returns and profits against the adverse conditions of the economy.
Health and safety risk	COVID-19 pandemic risks to OSK's community and stakeholders.	The Group protects the health and safety of employees and customers by following government's guidelines providing frequent communication, education/training, cleaning and disinfecting, and recommending strict controls on personal hygiene requirements. The Group also puts extra efforts on precautionary measures to minimise the risk of infection.
Operation disruption risk – Business Continuity	Ability to be resilience under major business disruptions.	The Group's existing business continuity management plan has been activated based on five critical elements include people, process, worksite, information technology and third-party interdependencies to ensure the Group's operational efficiency would not be affected.
Cyber security risk	Inherent exposure to support systems' cybersecurity threats and vulnerabilities.	Information technology security controls are in place to prevent, detect, respond and recover from potential threats.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

Internal Control

The Group's internal control system comprises the network of systems established in the Group to provide reasonable assurance on the following:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Safeguarding of assets; and
- Compliance with policies, procedures, laws and regulations.

The components of internal control such as control environment, risk assessment, control activities, information and communication and monitoring, work together to support the organisation's mission, strategies and related business objectives.

The key elements of the Group's internal control system are described below:

- Governance – Ensure conducive control environment established by the Board and Management with strong corporate culture that embraces excellence, humility and respect, forward thinking, integrity and people driven values. The Board demonstrates independence from Management and exercises oversight of the development and performance of internal controls by approving policies and monitoring business performance while individuals are held accountable for their internal control responsibilities in their pursuit of business objectives. Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. In addition, regular management and operation meetings are held to discuss on key business performance, corporate development and other business matters; and

- Operation Internal Controls - There are approved policies, procedures and operations manuals. Limits of Approving Authorities have been established and approved by the Board. This provides a sound framework of authority and accountability within the Group and facilitates proper decision-making.

- Internal audit provides independent and objective assurance on the adequacy and effectiveness of the systems of risk management and internal control. Audit follow-up is carried out to ensure the implementation of corrective action plans in a timely manner.

The Board's Statement on Risk Management and Internal Control

As the Group operates in a dynamic business environment, the Board is committed to maintaining a sound system of risk management and internal control and believes that with such system in place, a balanced achievement of its business objectives and operational efficiency can be attained.

The Board has reviewed the system of risk management and internal control operating for the year under review and believes that, up to the date of issuance of this statement, it is effective and adequate to safeguard shareholders' investment, protect the Group's assets, and meet regulatory requirements. The Board has also received assurance from the RMC, GMRC and Group Managing Director that the Group's risk management and internal control system is, in all material aspects, effective and adequate throughout the financial year under review.

The Group will continue to identify, evaluate and monitor all major risks as well as strive to improve and enhance the existing risk management and internal control system. This Statement on Risk Management and Internal Control does not cover joint venture and associates where the risk management and internal control systems of such companies are managed by the respective Management teams.

Review of The Statement By External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors had reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. It does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues*, nor was factually inaccurate.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Overview of Enterprise Risk Management Framework ("ERMF")

The ERMF is consistent with the ISO 31000:2009 Risk Management Principles and guidelines, which is designed to establish the context for an embedded ERM into key departments and business processes of the Group. The **ERMF key elements** are:

Business Objective	Risk Strategy	Risk Culture	Governance
The Group sets objectives and that the objectives support day to day operations and align with the Group's mission.	The Group's pursue strategic objectives in the right direction with prudent risk management	The Group continues to provide risk management education and trainings and influence the employees to embrace good risk practices in workplace.	The Group has a structured process for identifying, assessing, responding and mitigating key risks across all business units.

Risk Governance

ERMF sets the tone of the Group's approach to enterprise risk management practices. In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, Group Risk Management ("GRM"), under the purview of Group Management Risk Committee ("GMRC"), actively monitors the Group's portfolio of risks with the following objectives:

Assure	Guide	Monitor	Implement
Provide assurance to the Board that a firm and sound risk management and internal control systems are in place and to meet any requirements of regulatory bodies.	Provide guiding risk management principles to management to govern the actions of risk identification and assessment.	To ensure the risk management processes are applied systematically across the Group to identify, assess, treat and manage risks that threaten resources or the achievement of the organisation's objectives.	Provide Management with a summary of key risks that may affect the respective Business Divisions and to ensure these risks are adequately managed; and to report on the group risk exposures and mitigation plans.

OSK Group Risk Governance Structure

Board of Directors

The Board affirms its responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets.

↓

Risk Management Committee (RMC)

To assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

↓

Group Management Risk Committee (GMRC)

Consist of the Managing Director, Deputy Managing Director and Key Senior Management of the Group to ensure the Group's risk management and internal controls are in place, adequate and effective.

↓

Three Lines Model

First Line Roles	Second Line Roles	Third Line Roles
Business Operation Function to conduct business in accordance with agreed strategy and related risk appetite and limits.	**Risk Management Function** to monitor risk mitigation strategies and provide independent risk oversight across all risk types, business units, and locations.	**Internal Audit Function** to perform independent testing and assess whether the risk framework and related controls are functioning as intended.

ENTERPRISE RISK
MANAGEMENT FRAMEWORK

Risk Treatment Strategies

Risk mitigation measures are directed towards reducing the severity of gross risk identified through development and implementation of various forms of internal controls to reach the Residual risk rating. The Group uses risk mitigation strategies to manage identified risks. The Group has five (5) core responses as follows:

Avoid	Risk exposure shall be rejected entirely, as the potential return does not commensurate with the downside exposure.
Retain	Risk exposure shall be accepted. The potential return is viewed as desirable and the downside exposure shall be mitigated with strong internal controls.
Reduce	Risk exposure shall be reduced through new or enhanced mitigation (e.g. contingency plan, contractual agreement to share risks, etc).
Transfer	Risk exposure transfers systematically to other parties not within the Group (e.g. through insurance policies or outsourcing arrangements on certain tasks or processes).
Exploit	A calculated and well-planned strategy to increase the risk exposure with mitigation plan with anticipation of upside return

The quarterly risk reports of all Business Divisions are consolidated and updated to GMRC and RMC, highlighting all risks and mitigating controls carried out by the respective business divisions. Heads of business units are responsible to update GRM on changes of risk profile's status and ensure all Key Risk Indicators ("KRIs") are being implemented to provide assurance to the GMRC/RMC/Board that all risk profiles are accurate and complete. The RMC, GMRC and GRM are also responsible to ensure that an effective communication strategy is in place to provide common education and awareness of the Group's ERMF to all employees.

The Group identified risk areas and subsequently implement correspondent mitigating controls. Risk profiles are categorised into three categories, namely strategic, operational and financial risks. In terms of Strategic Risk, the Group reviews its annual business plan and financial budgets periodically, and also conduct market studies for business sustainability.

On Operational Risk, the respective business divisions look into project planning, supervisory reviews of daily operation, product quality control and regulatory compliances. Financial risks include credit risk, liquidity risk and market risk. The Group manages these risks by monitoring cash flow and overall debt portfolio, conserving cash flow with cost containment measures, off-loading of non-core assets and clearing of completed unsold development properties and other measures.

Conclusion

ERMF is the key pillar to create a risk culture for the organisation. Besides that, ERMF is to ensure that all risks faced by the Group are identified, monitored, and adequately managed. To inculcate a desirable risk culture, the RMC and management is responsible to ensure that an effective communication strategy is in place to provide common education, knowledge and awareness of the Group's risks management to all employees. The framework also ensures that risk management is embedded and consistently practised at all levels.

ADDITIONAL **DISCLOSURES**

Recurrent Related Party Transactions of A Revenue or Trading Nature

The details of the OSK Holdings Berhad ("OSK" or "the Company") Group's recurrent related party transactions made during the financial year ended 31 December 2020 pursuant to the shareholders' mandate obtained are as follows:

Name of Company/ Group Involved	Nature of Transaction	Name of Related Party/ Service Provider	Relationship with OSK – Interested Directors, Major Shareholders and Persons Connected	Actual Value (RM)
OSK Group	Provision of construction works for property development, property renovation, ancillary infrastructure works and related services by DCSB Group	DCSB Group	TSO, PSK, OJY, OJX, OYC, OYM, OSKE, LMSB (See Note 1)	719,772

Notes:

The following disclosure is extracted from the Circular to Shareholders dated 14 May 2020:

(1) Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong" or "TSO") is a Major Shareholder and the Executive Chairman of OSK. Tan Sri Ong is a major shareholder of Dindings Consolidated Sdn. Bhd. ("DCSB"). He is the spouse of Puan Sri Khor Chai Moi ("Puan Sri Khor" or "PSK") and the father of Mr. Ong Ju Yan ("OJY"), Mr. Ong Ju Xing ("OJX"), Ms. Ong Yee Ching ("OYC") and Ms. Ong Yee Min ("OYM").

Puan Sri Khor is a Major Shareholder of OSK. Puan Sri Khor is a director and major shareholder of DCSB. She is the spouse of Tan Sri Ong and the mother of OJY, OJX, OYC and OYM.

OJY is the Group Managing Director of OSK. OJY is the son of Tan Sri Ong and Puan Sri Khor and the brother of OJX, OYC and OYM.

OJX is the Deputy Group Managing Director of OSK. OJX is the son of Tan Sri Ong and Puan Sri Khor and the brother of OJY, OYC and OYM.

OYC is a Non-Independent Non-Executive Director of OSK. OYC is the daughter of Tan Sri Ong and Puan Sri Khor and the sister of OJY, OYM and OJX.

OYM is a director of DCSB. OYM is the daughter of Tan Sri Ong and Puan Sri Khor and the sister of OJY, OYC and OJX.

OSK Equity Holdings Sdn. Bhd. ("OSKE") is a Major Shareholder of OSK. Tan Sri Ong and Puan Sri Khor are directors of OSKE and Tan Sri Ong is a major shareholder of OSKE.

Land Management Sdn. Bhd. ("LMSB") is a Major Shareholder of OSK. Puan Sri Khor, OYC and OJX are directors of LMSB, while Tan Sri Ong and Puan Sri Khor are major shareholders of LMSB.

The principal activities of DCSB are investment holding and property development. The principal activities of DCSB's subsidiary companies are property development, building construction, contracting works, interior designer and general contractors, life and general insurance agents, and provision of general administration and management services.

Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the Directors (including Chief Executive who is also a Director) and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020, or if not then subsisting, entered into since the end of the previous financial year.

OUR FINANCIALS

STATEMENT OF RESPONSIBILITY **BY DIRECTORS**

IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with the requirements of the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2020, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to preserve the interest of stakeholders and to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

DIRECTORS' **REPORT**

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2020.

(A) PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries; and the associates and a joint venture, are described in Notes 8 and 9 to the financial statements respectively. There have been no significant changes in the nature of these principal activities during the year.

(B) FINANCIAL MATTERS

PROFIT AFTER TAX FOR THE YEAR

	Group RM'000	Company RM'000
Profit after tax attributable to:		
Owners of the Company	339,342	128,370
Non-controlling interests	3,674	-
	343,016	128,370

BUSINESS REVIEW

Business review of the Group is disclosed in the Chairman's Statement on pages 2 to 5 and Group Managing Director's Management Discussion and Analysis on pages 24 to 75 of this Annual Report.

DIVIDENDS

(a) Dividends declared and paid by the Company since the end of the previous year:

		RM'000
(i)	A single-tier final dividend of 3.0 sen per ordinary share in respect of the preceding year ended 31 December 2019 was paid on 2 July 2020	62,124
(ii)	A single-tier interim dividend of 1.0 sen per ordinary share in respect of the current year ended 31 December 2020 was paid on 8 October 2020	20,709
		82,833

(b) Proposed dividend

-	A single-tier final dividend of 3.0 sen per ordinary share in respect of the current year ended 31 December 2020, subject to Shareholders' approval at the forthcoming Annual General Meeting.	61,863

Further details of the dividends are disclosed in Note 39 to the financial statements.

DIRECTORS'
REPORT

(B) FINANCIAL MATTERS (CONT'D)

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the year have been disclosed in the financial statements.

SIGNIFICANT EVENTS

Significant events consist of the changes in composition of the Group during the year as disclosed in Note 8(b) to the financial statements.

SIGNIFICANT SUBSEQUENT EVENTS

There were no material subsequent events from the end of the year and ending on the date of this report.

ISSUE OF SHARES AND DEBENTURES

During the year, the Company issued 1,213 new ordinary shares for cash pursuant to exercise of 1,213 Warrants C 2015/2020. The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares and debentures during the year.

Further details of the shares and warrants are disclosed in Note 28 to the financial statements.

OPTIONS TO TAKE UP UNISSUED SHARES OF THE COMPANY

During the year, 1,213 Warrants C 2015/2020 were exercised for 1,213 new ordinary shares.

On 22 July 2020, being the expiry date of the Warrants C 2015/2020, a total 356,575,952 unexercised Warrants C 2015/2020 have lapsed. Accordingly, the Warrants C 2015/2020 were delisted from the Official List of Bursa Malaysia with effect from 9:00 am on 23 July 2020.

Further details of the Warrants C 2015/2020 are disclosed in Note 28(c) to the financial statements.

There were no other new options granted during the year to take up unissued shares of the Company.

TREASURY SHARES

During the year, the Company repurchased 9,733,400 shares of its own equity from the open market at an average cost of RM0.78 per share. Further details of the treasury shares are disclosed in Note 29 to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts, as disclosed in Notes 14, 15 and 16 to the financial statements.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

(B) FINANCIAL MATTERS (CONT'D)

CURRENT ASSETS OTHER THAN DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets other than debts, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise as disclosed in Notes 12 and 17 to the financial statements.

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.

METHOD OF VALUATION OF ASSETS OR LIABILITIES

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. Assets that are measured at fair values are disclosed in Notes 7, 18, 20, 21 and 22 to the financial statements.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the year, other than those arising in the normal course of business of the Group and of the Company.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF UNUSUAL NATURE

In the opinion of the Directors:

(a) the results of the operations of the Group and of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature except for the impact arising from the COVID-19 pandemic as disclosed in Note 2 to the financial statements; and

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the year in which this report is made.

DIRECTORS'
REPORT

(C) DIRECTORS MATTERS

DIRECTORS OF THE COMPANY

The Directors of the Company who have held office during the year are:

Tan Sri Ong Leong Huat @ Wong Joo Hwa*
Ong Ju Yan*
Ong Ju Xing*
Dato' Saiful Bahri bin Zainuddin*
Dato' Thanarajasingam Subramaniam
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir
Leong Keng Yuen
Ong Yee Ching*

* Who is also Director of the subsidiary(ies)

During the period commencing from the end of the year and ending on the date of this report, there were no changes in directorship of the Company.

DIRECTORS OF THE SUBSIDIARIES

In addition to the five Directors of the Company who are also Directors of the subsidiaries as disclosed above, the Directors of the subsidiaries who have held office during the year are:

Puan Sri Khor Chai Moi	
Dato' Mohd Daud bin Samsuddin	
Chow Hock Kin	
Fan Pui Chin	
Foo San Kan	
Mak Pick Wan	
Mohamed Nazari bin Noordin	
Ng Lai Ping	
Ng Lee Huat	
Noriza binti Shahadan	
Ong Ghee Bin	
Tan Kheak Chun	
Ting Chun Hong	
Wong Chong Shee	
Yeat Siew Hong	
Yeoh Peik Hong	
Tan Ming Tek	- Appointed on 3 August 2020
Wang Choon Hui	- Appointed on 18 December 2020
Eng Kim Haw	- Resigned on 26 June 2020
Tang Cheng Leong	- Resigned on 26 June 2020
Estrop Evon Agnes	- Resigned on 1 September 2020

During the period commencing from the end of the year and ending on the date of this report, there were no changes in directorship of the subsidiaries.

DIRECTORS' INTERESTS

Neither at the end of the year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, being arrangements with the objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

(C) DIRECTORS MATTERS (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 ("CA2016"), the Directors in office at the end of the year who have interests in the shares and warrants of the Company and of its related corporations during the year are as follows:

(a) The Company

	Number of ordinary shares			
	As at 1.1.2020	Acquired	Disposed	As at 31.12.2020
Direct interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	135,685,978	-	-	135,685,978
Ong Ju Yan	24,737,550	-	-	24,737,550
Ong Ju Xing	22,084,395	-	-	22,084,395
Leong Keng Yuen	318,608	-	-	318,608
Ong Yee Ching	12,667,189	230,000	-	12,897,189
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1,005,524,434[1]	2,088,000	-	1,007,612,434[1]
Ong Ju Yan	2,467,701[2]	200,000	-	2,667,701[2]
Ong Ju Xing	1,341,600[3]	200,000	-	1,541,600[3]
Leong Keng Yuen	221,869[4]	-	-	221,869[4]
Ong Yee Ching	288,281[2]	-	-	288,281[2]

	Number of Warrants C 2015/2020			
	As at 1.1.2020	Acquired	Expired on 22.7.2020	As at 31.12.2020
Direct interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	3,075,000	-	(3,075,000)	-
Ong Ju Yan	1,208,335	-	(1,208,335)	-
Ong Ju Xing	211,810	-	(211,810)	-
Leong Keng Yuen	42,900	-	(42,900)	-
Ong Yee Ching	442,890	-	(442,890)	-
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	152,999,578[5]	-	(152,999,578)	-
Ong Ju Yan	266,299[2]	-	(266,299)	-
Leong Keng Yuen	55,467[4]	-	(55,467)	-
Ong Yee Ching	72,069[2]	-	(72,069)	-

The details of Warrants C 2015/2020 are disclosed in Note 28(c) to the financial statements.

(C) DIRECTORS MATTERS (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

(b) Related corporations

(i) Ultimate holding company, OSK Equity Holdings Sdn. Bhd.

	Number of ordinary shares			
	As at 1.1.2020	Acquired	Disposed	As at 31.12.2020
Direct interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	99,999	-	-	99,999

(ii) Subsidiaries

(1) PJ Development Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2020	Acquired	Disposed	As at 31.12.2020
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	508,533,793[6]	1,584,000	-	510,117,793[6]

	Number of Warrants C 2010/2020			
	As at 1.1.2020	Acquired	Expired on 4.12.2020	As at 31.12.2020
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	129,338,996[6]	8,264,200	(137,603,196)	-

(2) OSK Property Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2020	Acquired	Disposed	As at 31.12.2020
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	345,637,523[6]	2,442	-	345,639,965[6]

(1) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse and children, other than Ong Ju Yan, Ong Ju Xing and Ong Yee Ching whose interests have been disclosed herein.

(2) Disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his/her spouse.

(3) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in Petit Patata Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse.

(4) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in Wing Foong Holdings Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse.

(5) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse and children, other than Ong Ju Yan, Ong Ju Xing and Ong Yee Ching whose interests have been disclosed herein.

(6) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in OSK Holdings Berhad.

DIRECTORS'
REPORT

(C) DIRECTORS MATTERS (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares and/or warrants of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, the other Directors in office at the end of the year did not hold any shares or warrants of the Company or of its related corporations.

REMUNERATION AND BENEFITS OF DIRECTORS OF THE COMPANY

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full time employees or estimated money value of other benefits of certain subsidiaries of the Company as disclosed in Notes 40(b) and 40(c) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Notes 40(d) and 40(e) to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company provides an insurance cover for the Directors and officers of the Group and of the Company. The total amount of insurance premium paid by the Company for the year was RM62,000. There were no indemnity given to or insurance cover for the auditors of the Group and of the Company during the year.

(D) AUDITORS AND AUDITORS' REMUNERATION

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office. The auditors' remuneration are disclosed in Note 34 to the financial statements.

(E) STRUCTURE OF THE GROUP

(a) Ultimate Holding Company

OSK Equity Holdings Sdn. Bhd., a company incorporated in Malaysia, is regarded by the Directors as the Company's ultimate holding company.

(b) Subsidiaries

The details of subsidiaries are disclosed in Note 8 to the financial statements.

For the year ended 31 December 2020, the auditors' reports on the financial statements of all the subsidiaries are not qualified.

None of the subsidiaries hold any shares in the holding company or in other related corporations.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 March 2021.

Tan Sri Ong Leong Huat @ Wong Joo Hwa **Ong Ju Yan**

Kuala Lumpur, Malaysia
5 March 2021

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Ong Ju Yan, being two of the Directors of OSK Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 153 to 323 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 March 2021.

Tan Sri Ong Leong Huat @ Wong Joo Hwa **Ong Ju Yan**

Kuala Lumpur, Malaysia
5 March 2021

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Ng Lai Ping (CA 12349), being the officer primarily responsible for the financial management of OSK Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 153 to 323 are in my opinion 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.

Subscribed and solemnly declared by
the abovenamed Ng Lai Ping
at Kuala Lumpur in the Federal Territory
on 5 March 2021

Ng Lai Ping

Before me,

PESURUHJAYA SUMPAH
W663
BALOO T. PICHAI
01.01.19-31.12.21
MALAYSIA

Unit 50-10-1, Tingkat 10
Wisma UOA Damansara
No. 50, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

Commissioner for Oaths
Kuala Lumpur, Malaysia
5 March 2021

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF OSK HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OSK Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 153 to 323.

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 2020, and of their financial performance and their cash flows for the 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 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.

Key Audit Matters for the Group

1. Property development revenue and profit recognition

Revenue from property development is set out in Note 31 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time, which is based on the stage of completion method. The determination of stage of completion requires management to exercise significant judgement in estimating the total costs to complete.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF OSK HOLDINGS BERHAD
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters for the Group (Cont'd)

1. Property development revenue and profit recognition (Cont'd)

Audit procedures

Our audit procedures included the following:

(a) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

(b) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;

(c) inspected documentation to support cost estimates made including contract variations and cost contingencies;

(d) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs; and

(e) assessed the saleability and selling prices of the development projects to determine the potential revenue of the projects.

2. Impairment assessment of the carrying amount of property, plant and equipment and right-of-use assets

As at 31 December 2020, the carrying amounts of property, plant and equipment and right-of-use assets of the Group amounted to RM577.2 million and RM76.7 million respectively as disclosed in Notes 6 and 11 to the financial statements. The Group had recognised an impairment loss on property, plant and equipment of RM18.1 million during the year ended 31 December 2020.

Management used forecasted future cash flows in value-in-use model to determine the recoverable amounts of Cash Generating Units ("CGUs") and assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets of certain subsidiaries.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions affected by the COVID-19 pandemic.

Audit procedures

Our audit procedures included the following:

(a) compared cash flow projections against recent performance and assessed and evaluated the key assumptions used in the projections by comparing to actual historical operating profit margins and growth rates;

(b) compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;

(c) assessed appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors incorporating the impact of the COVID-19 pandemic; and

(d) performed sensitivity analysis to stress test the key assumptions in the impairment model.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF OSK HOLDINGS BERHAD
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters for the Group (Cont'd)

3. Recoverability of trade receivables

As at 31 December 2020, the net carrying amount of trade receivables of the Group was RM219.6 million as disclosed in Note 15 to the financial statements.

The Group has impaired trade receivables of RM14.9 million as at 31 December 2020.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information, incorporating the impact of the COVID-19 pandemic.

Audit procedures

Our audit procedures included the following:

(a) assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue and old balances;

(b) assessed the expected credit loss ("ECL") for portfolios of trade receivables based on customer segments, historical information on payment trend and forward-looking information;

(c) recomputed the probability of default using historical data and forward-looking information adjustment, incorporating the impact of the COVID-19 pandemic, applied by the Group;

(d) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and

(e) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Key Audit Matters for the Company

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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
TO THE MEMBERS OF OSK HOLDINGS BERHAD
(Incorporated in Malaysia)

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 ability of the Group and of the Company 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.

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:

(a) 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.

(b) 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 internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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.

(e) 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.

(f) 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF OSK HOLDINGS BERHAD
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Chan Wai Leng
02893/08/2021 J
Chartered Accountant

Kuala Lumpur
5 March 2021

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS:					
Non-current					
Property, plant and equipment	6	**577,152**	605,518	**884**	1,013
Investment properties	7	**456,303**	464,780	**-**	-
Investments in subsidiaries	8	**-**	-	**1,582,891**	1,569,821
Investments in associates and a joint venture	9	**3,880,828**	3,681,201	**2,209,705**	2,209,705
Intangible assets	10	**1,085**	1,205	**265**	293
Right-of-use assets	11	**76,715**	78,886	**3,211**	1,629
Inventories	12	**1,355,068**	1,198,764	**-**	-
Deferred tax assets	13	**68,134**	93,891	**707**	739
Capital financing	14	**247,978**	182,629	**-**	-
Trade receivables	15	**8,945**	26,080	**-**	-
Other assets	16	**1,420**	882	**-**	-
		6,673,628	6,333,836	**3,797,663**	3,783,200
Current					
Inventories	12	**252,050**	355,129	**-**	-
Capital financing	14	**574,940**	594,557	**-**	-
Trade receivables	15	**210,699**	254,533	**-**	-
Other assets	16	**88,996**	79,238	**42,177**	961
Contract assets	17	**163,958**	129,742	**-**	-
Biological assets	18	**54**	251	**-**	-
Amounts due from subsidiaries	19	**-**	-	**-**	165
Tax recoverable		**15,420**	12,038	**1,093**	943
Derivative assets	20	**-**	-	**-**	64,670
Securities at fair value through profit or loss	21	**225**	264	**225**	264
Cash, bank balances and short term funds	22	**662,702**	585,844	**11,086**	14,883
		1,969,044	2,011,596	**54,581**	81,886
Assets of disposal group classified as held for sale	23	**-**	21,998	**-**	-
		1,969,044	2,033,594	**54,581**	81,886
TOTAL ASSETS		**8,642,672**	8,367,430	**3,852,244**	3,865,086

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
LIABILITIES:					
Non-current					
Borrowings	24	**1,504,241**	1,393,437	**191,270**	265,278
Trade payables	25	**16,390**	17,543	**-**	-
Other liabilities	26	**49,330**	6,469	**-**	-
Contract liabilities	27	**93,963**	107,131	**-**	-
Lease liabilities	11	**13,719**	20,801	**1,652**	551
Derivative liabilities	20	**6,013**	-	**-**	-
Deferred tax liabilities	13	**109,014**	115,546	**-**	-
		1,792,670	1,660,927	**192,922**	265,829
Current					
Borrowings	24	**892,756**	985,095	**40,000**	40,000
Trade payables	25	**86,348**	80,079	**-**	-
Other liabilities	26	**445,136**	514,126	**4,151**	5,979
Contract liabilities	27	**30,778**	33,516	**-**	-
Lease liabilities	11	**14,879**	8,894	**1,619**	1,153
Tax payable		**16,300**	11,209	**-**	-
Amounts due to subsidiaries	19	**-**	-	**413,065**	389,586
		1,486,197	1,632,919	**458,835**	436,718
Liabilities of disposal group classified as held for sale	23	**-**	10,135	**-**	-
		1,486,197	1,643,054	**458,835**	436,718
TOTAL LIABILITIES		**3,278,867**	3,303,981	**651,757**	702,547
NET ASSETS		**5,363,805**	5,063,449	**3,200,487**	3,162,539
EQUITY:					
Share capital	28	**2,095,311**	2,095,310	**2,095,311**	2,095,310
Treasury shares, at cost	29	**(43,226)**	(35,636)	**(43,226)**	(35,636)
		2,052,085	2,059,674	**2,052,085**	2,059,674
Reserves	30	**3,242,334**	2,929,789	**1,148,402**	1,102,865
Issued capital and reserves attributable to Owners of the Company		**5,294,419**	4,989,463	**3,200,487**	3,162,539
Non-controlling interests	8(e)	**69,386**	73,986	**-**	-
TOTAL EQUITY		**5,363,805**	5,063,449	**3,200,487**	3,162,539

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

STATEMENTS OF **PROFIT OR LOSS**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue	31	**1,085,511**	1,207,523	**238,938**	278,348
Cost of sales	32	**(688,755)**	(787,354)	**-**	-
Gross profit		**396,756**	420,169	**238,938**	278,348
Other income	33	**44,391**	34,196	**15,563**	16,361
Administrative expenses	34	**(172,844)**	(188,842)	**(19,647)**	(19,404)
Other expenses	35	**(61,354)**	(5,712)	**(79,120)**	(1)
		206,949	259,811	**155,734**	275,304
Finance costs	36	**(47,075)**	(63,875)	**(27,297)**	(37,048)
		159,874	195,936	**128,437**	238,256
Share of results of associates and a joint venture, net of tax		**250,958**	274,592	**-**	-
Profit before tax		**410,832**	470,528	**128,437**	238,256
Tax expense	37	**(67,816)**	(51,869)	**(67)**	(340)
Profit after tax		**343,016**	418,659	**128,370**	237,916
Profit attributable to:					
Owners of the Company		**339,342**	412,003	**128,370**	237,916
Non-controlling interests	8(e)	**3,674**	6,656	**-**	-
		343,016	418,659	**128,370**	237,916
Earnings per share attributable to Owners of the Company (sen):					
Basic	38	**16.40**	19.84		
Diluted	38	**16.40**	19.84		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit after tax	**343,016**	418,659	**128,370**	237,916
Other comprehensive (expenses)/income for the year, net of tax				
(a) Items of other comprehensive expense:				
(i) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Fair value loss on cash flow hedge*	**(3,457)**	-	**-**	-
- *Foreign currency translation loss*	**(132)**	(486)	**-**	-
(ii) Reclassified to profit or loss:				
- *Foreign currency translation upon disposal of a subsidiary [Note 8(b)(v)]*	**(2,025)**	-	**-**	-
	(5,614)	(486)	**-**	-
(b) The share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:				
(i) Items that will not be reclassified subsequently to profit or loss:				
- *Fair values through other comprehensive income ("FVTOCI") and other reserves*	**6,339**	2,425	**-**	-
(ii) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Foreign currency translation reserves*	**11,378**	(6,795)	**-**	-
- *FVTOCI and other reserves*	**46,711**	94,407	**-**	-
	64,428	90,037	**-**	-
Total other comprehensive income for the year, net of tax	**58,814**	89,551	**-**	-
Total comprehensive income	**401,830**	508,210	**128,370**	237,916
Total comprehensive income attributable to:				
Owners of the Company	**397,433**	501,791	**128,370**	237,916
Non-controlling interests	**4,397**	6,419	**-**	-
	401,830	508,210	**128,370**	237,916

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

STATEMENTS OF
CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Group	Note	Attributable to Owners of the Company									
		Share capital (Note 28) RM'000	Treasury shares (Note 29) RM'000	Revaluation reserve (Note 30) RM'000	Foreign currency translation reserves (Note 30) RM'000	Hedging reserve (Note 30) RM'000	Other reserves (Note 30) RM'000	Retained profits (Note 30) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 8(e)] RM'000	Total equity RM'000
As at 1 January 2020		2,095,310	(35,636)	63,451	11,221	-	111,790	2,743,327	4,989,463	73,986	5,063,449
Profit after tax		-	-	-	-	-	-	339,342	339,342	3,674	343,016
Fair value loss on cash flow hedge		-	-	-	-	(3,457)	-	-	(3,457)	-	(3,457)
Foreign currency translation loss		-	-	-	(123)	-	-	-	(123)	(9)	(132)
Foreign currency translation reclassified to profit or loss upon disposal of a subsidiary	8(b)(v)	-	-	-	(1,964)	-	-	-	(1,964)	(61)	(2,025)
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- *Foreign currency translation reserves*		-	-	-	10,570	-	-	-	10,570	808	11,378
- *FVTOCI and other reserves*		-	-	-	-	-	53,065	-	53,065	(15)	53,050
Other comprehensive income/(expenses)		-	-	-	8,483	(3,457)	53,065	-	58,091	723	58,814
Total comprehensive income/(expenses)		-	-	-	8,483	(3,457)	53,065	339,342	397,433	4,397	401,830
Dividends paid to:											
- *Owners of the Company*	39	-	-	-	-	-	-	(82,833)	(82,833)	-	(82,833)
- *Non-controlling interests*		-	-	-	-	-	-	-	-	(2,220)	(2,220)
Issuance of shares pursuant to exercise of Warrants C 2015/2020	28	1	-	-	-	-	-	-	1	-	1
Total contribution by/(distributions to) Owners		1	-	-	-	-	-	(82,833)	(82,832)	(2,220)	(85,052)

STATEMENTS OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Group (Cont'd)

	Note	Attributable to Owners of the Company									
		Share capital (Note 28) RM'000	Treasury shares (Note 29) RM'000	Revaluation reserve (Note 30) RM'000	Foreign currency translation reserves (Note 30) RM'000	Hedging reserve (Note 30) RM'000	Other reserves (Note 30) RM'000	Retained profits (Note 30) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 8(e)] RM'000	Total equity RM'000
Acquisition of additional interests in subsidiaries from non-controlling interests:											
- *Accretion of equity interests*	8(b)(i),(iii)	-	-	-	-	-	-	-	-	(4,432)	(4,432)
- *Gain on acquisitions*	8(b)(i),(iii)	-	-	-	-	-	-	2,067	2,067	-	2,067
Effects of acquisitions of warrants in a subsidiary		-	-	-	-	-	-	(6,611)	(6,611)	-	(6,611)
Warrant reserve in a subsidiary transfer upon expiry of warrants		-	-	-	-	-	-	2,731	2,731	(2,731)	-
Exercise of warrants of a subsidiary:											
- *Shares issued by a subsidiary*	8(b)(ii)	-	-	-	-	-	-	-	-	144	144
- *Effects of dilution of interests in a subsidiary*	8(b)(ii)	-	-	-	-	-	-	(242)	(242)	242	-
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	(2,055)	(2,055)	(6,777)	(8,832)
Share buybacks by the Company	29	-	(7,590)	-	-	-	-	-	(7,590)	-	(7,590)
Total transactions with Owners in their capacity as Owners		1	(7,590)	-	-	-	-	(84,888)	(92,477)	(8,997)	(101,474)
As at 31 December 2020		**2,095,311**	**(43,226)**	**63,451**	**19,704**	**(3,457)**	**164,855**	**2,997,781**	**5,294,419**	**69,386**	**5,363,805**

STATEMENTS OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Group (Cont'd)

	Note	Attributable to Owners of the Company								
		Share capital (Note 28) RM'000	Treasury shares (Note 29) RM'000	Revaluation reserve (Note 30) RM'000	Foreign currency translation reserves (Note 30) RM'000	Other reserves (Note 30) RM'000	Retained profits (Note 30) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 8(e)] RM'000	Total equity RM'000
As at 1 January 2019										
As per previously reported		2,095,310	(30,237)	63,451	18,265	14,958	2,435,791	4,597,538	71,994	4,669,532
Effects of adoption of MFRS 16 'Leases':										
- subsidiaries		-	-	-	-	-	(132)	(132)	(7)	(139)
- an associate		-	-	-	-	-	(310)	(310)	-	(310)
As restated		2,095,310	(30,237)	63,451	18,265	14,958	2,435,349	4,597,096	71,987	4,669,083
Profit after tax		-	-	-	-	-	412,003	412,003	6,656	418,659
Foreign currency translation loss		-	-	-	(471)	-	-	(471)	(15)	(486)
Share of other comprehensive (expenses)/income and reserves of associates accounted for using equity method:										
- *Foreign currency translation reserves*		-	-	-	(6,573)	-	-	(6,573)	(222)	(6,795)
- *FVTOCI and other reserves*		-	-	-	-	96,832	-	96,832	-	96,832
Other comprehensive (expenses)/ income		-	-	-	(7,044)	96,832	-	89,788	(237)	89,551
Total comprehensive (expenses)/ income		-	-	-	(7,044)	96,832	412,003	501,791	6,419	508,210
Dividends paid to:										
- *Owners of the Company*	39	-	-	-	-	-	(103,860)	(103,860)	-	(103,860)
- *Non-controlling interests*		-	-	-	-	-	-	-	(4,677)	(4,677)
Total distributions to Owners		-	-	-	-	-	(103,860)	(103,860)	(4,677)	(108,537)

STATEMENTS OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Group (Cont'd)

	Note	Attributable to Owners of the Company							Non-controlling interests [Note 8(e)]	Total equity
		Share capital (Note 28)	Treasury shares (Note 29)	Revaluation reserve (Note 30)	Foreign currency translation reserves (Note 30)	Other reserves (Note 30)	Retained profits (Note 30)	Total issued share capital and reserves		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Acquisition of additional interests in a subsidiary from non-controlling interests:										
- *Accretion of equity interests*	8(c)(i)	-	-	-	-	-	-	-	(170)	(170)
- *Gain on acquisitions*	8(c)(i)	-	-	-	-	-	91	91	-	91
Exercise of warrants of a subsidiary:										
- *Shares issued by a subsidiary*	8(c)(ii)	-	-	-	-	-	-	-	171	171
- *Effects of dilution of interests in a subsidiary*	8(c)(ii)	-	-	-	-	-	(256)	(256)	256	-
Total changes in ownership interest in a subsidiary		-	-	-	-	-	(165)	(165)	257	92
Share buybacks by the Company	29	-	(5,399)	-	-	-	-	(5,399)	-	(5,399)
Total transactions with Owners in their capacity as Owners		-	(5,399)	-	-	-	(104,025)	(109,424)	(4,420)	(113,844)
As at 31 December 2019		2,095,310	(35,636)	63,451	11,221	111,790	2,743,327	4,989,463	73,986	5,063,449

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Company

	Note	Share capital (Note 28) RM'000	Distributable Treasury shares (Note 29) RM'000	Distributable Retained profits (Note 30) RM'000	Total equity RM'000
As at 1 January 2020		**2,095,310**	**(35,636)**	**1,102,865**	**3,162,539**
Profit after tax/Total comprehensive income		**-**	**-**	**128,370**	**128,370**
Dividends paid to Owners of the Company	39	**-**	**-**	**(82,833)**	**(82,833)**
Issuance of shares pursuant to exercise of Warrants C 2015/2020	28	**1**	**-**	**-**	**1**
Total contribution by/(distributions to) Owners		**1**	**-**	**(82,833)**	**(82,832)**
Share buybacks/Total transactions with Owners	29	**-**	**(7,590)**	**-**	**(7,590)**
As at 31 December 2020		**2,095,311**	**(43,226)**	**1,148,402**	**3,200,487**
As at 1 January 2019					
As per previously reported		2,095,310	(30,237)	968,888	3,033,961
Effects of adoption of MFRS 16 'Leases'		-	-	(79)	(79)
As restated		2,095,310	(30,237)	968,809	3,033,882
Profit after tax/Total comprehensive income		-	-	237,916	237,916
Dividends paid to Owners of the Company/ Total distributions to Owners	39	-	-	(103,860)	(103,860)
Share buybacks/Total transactions with Owners	29	-	(5,399)	-	(5,399)
As at 31 December 2019		2,095,310	(35,636)	1,102,865	3,162,539

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

STATEMENTS OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**410,832**	470,528	**128,437**	238,256
Adjustments for:					
Non-cash and non-operating items#		**72,981**	33,846	**(130,787)**	(241,216)
Share of results of associates and a joint venture		**(250,958)**	(274,592)	**-**	-
Operating profit/(loss) before changes in working capital		**232,855**	229,782	**(2,350)**	(2,960)
Decrease/(Increase) in operating assets:					
Inventories		**114,353**	91,194	**-**	-
Capital financing		**(45,681)**	(210,991)	**-**	-
Trade receivables		**54,583**	(1,022)	**-**	-
Other assets		**15,306**	(25,276)	**(599)**	(410)
Contract assets		**(34,216)**	170,167	**-**	-
Increase/(Decrease) in operating liabilities:					
Trade payables		**3,212**	(34,554)	**-**	-
Other liabilities		**(61,435)**	7,833	**(1,828)**	686
Contract liabilities		**(15,906)**	(33,479)	**-**	-
Changes in working capital		**30,216**	(36,128)	**(2,427)**	276
Cash from/(used in) operations		**263,071**	193,654	**(4,777)**	(2,684)
Income tax paid		**(50,772)**	(64,630)	**(185)**	(421)
Income tax refunded		**3,890**	33,390	**-**	124
Interest paid		**(51,605)**	(48,616)	**-**	-
Interest received		**74,747**	60,984	**-**	-
Net cash from/(used in) operating activities		**239,331**	174,782	**(4,962)**	(2,981)

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment, divestment and income from investment:					
Acquisitions of additional:					
- shares in subsidiaries from non-controlling interests	8(b)(i),(iii), 8(c)(i)	**(2,365)**	(79)	**(2,365)**	(79)
- warrants in a subsidiary		**(6,611)**	-	**(6,611)**	-
Expenditure incurred on investment properties	7(c)(i)	**(16,951)**	(4,693)	**-**	-
Funds distribution income received		**8,743**	10,236	**182**	1,393
Interest received		**4,860**	7,206	**20**	391
Proceeds from disposals of:					
- a subsidiary	8(b)(v)	**8,523**	-	**-**	-
- property, plant and equipment		**488**	69,039	**-**	-
Purchase of:					
- land held for property development		**(88,300)**	-	**-**	-
- property, plant and equipment	6(b)(i)	**(17,597)**	(27,370)	**(97)**	(201)
- right-of-use assets	11(b)(i)	**-**	(699)	**-**	-
- software licences	10(b)	**(151)**	(110)	**-**	(14)
Net investment, divestment and income from investment		**(109,361)**	53,530	**(8,871)**	1,490
Dividends and shares:					
Capital repayment by a subsidiary	8(d)(i)	**-**	-	**-**	10,000
Distribution from an associate	9(c)	**-**	3,530	**-**	3,530
Dividends received		**75,142**	103,574	**198,321**	278,348
Repayment from subsidiaries		**-**	-	**23,644**	160,271
Subscription of shares in subsidiaries	8(d)(i)	**-**	-	**(18,505)**	(1,050)
Net dealings with subsidiaries and an associate		**75,142**	107,104	**203,460**	451,099
Net cash (used in)/from investing activities		**(34,219)**	160,634	**194,589**	452,589

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Fundings in business:					
Expenses incurred on borrowings		**(722)**	(2,536)	**(430)**	(580)
Drawdowns/(Repayments):					
Proceeds from/Drawdowns of:					
- issuance of medium term notes and Sukuk	24(g)(ii)	**300,000**	464,200	**-**	-
- term, bridging and bankers' acceptances		**202,030**	104,325	**-**	-
- revolving credits - net		**-**	99,246	**-**	4,300
Redemptions/Repayments of:					
- medium term notes and Sukuk	24(g)(ii)	**(239,661)**	(393,315)	**(74,381)**	(350,000)
- term and bridging		**(125,453)**	(366,303)	**-**	-
- revolving credits - net		**(116,334)**	-	**-**	-
Net drawdowns/(repayments)	24(h)(i)	**20,582**	(91,847)	**(74,381)**	(345,700)
Interest paid		**(43,856)**	(60,255)	**(26,379)**	(35,930)
Listing expenses		**-**	(920)	**-**	-
Payment of lease liabilities	11(c)	**(15,526)**	(3,850)	**(1,812)**	(1,792)
Dividends, share proceeds and share buybacks:					
Dividends paid to:					
- Owners of the Company	39	**(82,833)**	(103,860)	**(82,833)**	(103,860)
- non-controlling interests		**(2,220)**	(4,677)	**-**	-
Proceeds from:					
- exercise of warrants of a subsidiary	8(b)(ii), 8(c)(ii)	**144**	171	**-**	-
- exercise of warrants of the Company	28	**1**	-	**1**	-
Share buybacks	29	**(7,590)**	(5,399)	**(7,590)**	(5,399)
Net dealing with Owners of the Company		**(92,498)**	(113,765)	**(90,422)**	(109,259)
Net cash used in financing activities		**(132,020)**	(273,173)	**(193,424)**	(493,261)
Net increase/(decrease) in cash and cash equivalents		**73,092**	62,243	**(3,797)**	(43,653)
Effects of exchange rate changes		**(434)**	(528)	**-**	-
Cash and cash equivalents at beginning of the year		**590,044**	528,329	**14,883**	58,536
Cash and cash equivalents at end of the year		**662,702**	590,044	**11,086**	14,883
Cash and cash equivalents comprised:					
Cash, bank balances and short term funds	22	**662,702**	585,844	**11,086**	14,883
Bank overdrafts	24	**-**	(63)	**-**	-
Cash and cash equivalents of disposal group classified as held for sale	23	**-**	4,263	**-**	-
		662,702	590,044	**11,086**	14,883

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
#Non-cash and non-operating items:					
Amortisation of finance cost		**502**	524	**373**	403
Depreciation and amortisation		**40,415**	29,102	**1,936**	1,883
Dividend income		**-**	-	**(238,938)**	(278,348)
Facilities fee		**722**	1,505	**430**	580
Funds distribution income		**(8,743)**	(10,236)	**(182)**	(1,393)
Gain on disposals of:					
- a subsidiary	8(b)(v)	**(7,657)**	-	**-**	-
- plant and equipment		**(403)**	(583)	**-**	-
Impairment loss on property, plant and equipment	6(b)(v)	**18,113**	-	**-**	-
Interest income		**(79,607)**	(68,189)	**(20)**	(391)
Interest expense		**71,418**	81,465	**26,494**	36,065
Loss/(Gain) on fair valuation of:					
- biological assets	18(c)	**197**	(107)	**-**	-
- investment properties	7(c)(i)	**28,271**	1,308	**-**	-
- retention sums		**(3,173)**	(1,141)	**-**	-
- securities at fair value through profit or loss		**39**	(16)	**39**	(16)
Loss/(Gain) on foreign currency translations		**597**	(286)	**-**	-
Recovery of bad debts of:					
- capital financing		**(51)**	(134)	**-**	-
- trade receivables		**(3)**	-	**-**	-
- other receivables		**(10)**	-	**-**	-
Rental concession received		**(7)**	-	**-**	-
Reversal of gain on fair valuation of financial guarantee	8(d)(ii)	**-**	-	**7,800**	-
Reassessments and modifications of leases		**1**	-	**-**	-
(Write back of)/Allowance for impairment loss (net) on:					
- capital financing	14(b)(i)	**-**	(87)	**-**	-
- trade receivables	15(b)(i)	**9,470**	(208)	**-**	-
- other receivables	16(b)(ii)	**2,443**	625	**-**	-
Write down/(back) of inventories:					
- completed properties held for sale		**936**	-	**-**	-
- finished goods		**(657)**	(592)	**-**	-
- raw materials		**23**	83	**-**	-
Write off of:					
- trade receivables		**6**	672	**-**	-
- other receivables		**83**	-	**-**	-
- expired derivative assets		**-**	-	**71,281**	-
- plant and equipment	6(b)(iv)	**56**	141	**-**	1
		72,981	33,846	**(130,787)**	(241,216)

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

1. GENERAL INFORMATION OF THE COMPANY AND AUTHORISATION OF FINANCIAL STATEMENTS FOR USE

The Company is a public company limited by shares, incorporated under the Companies Act, 1965 (which had been superseded by CA2016), domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") categorised under property sector. The registered office of the Company is located at 21st Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. The principal place of business of the Company is located at 7th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur and the principal places of businesses of its subsidiaries are disclosed in the annual report and in its website.

The Company is an investment holding company. The principal activities of the subsidiaries; and associates and a joint venture, are described in Notes 8 and 9 to the financial statements respectively. There have been no significant changes in the nature of these principal activities during the year.

OSK Equity Holdings Sdn. Bhd., a company incorporated in Malaysia, is regarded by the Directors as the Company's ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 March 2021.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared on a historical cost convention, other than investment properties, biological assets, derivative assets, securities measured at fair value through profit or loss and short term funds which are measured at their fair values. The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company and all values are rounded to the nearest thousand (RM'000), unless otherwise indicated. The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of CA2016 in Malaysia. During the year, the Group and the Company have adopted Amendments to MFRSs as disclosed in Notes 46(a) and (b).

Impact of COVID-19 pandemic on basis for preparation of financial statements

The pandemic has significantly affected economic activities of the world. The economic impact is highly dependent on variables that are difficult to predict such as the degree of which governments prohibit business and personal activities, level of compliance by people in the countries, and the nature and effectiveness of government assistance. In 2020, the Group's operations are mainly based in Malaysia and Australia, which also have been affected by the spread of COVID-19. All segments of the Group were affected by the pandemic especially in the Hospitality Segment which has adversely impacted by the tourism, meeting and convention activities.

The impact of the pandemic on the Group's financial performance reflected in the financial statements for the year ended 31 December 2020 are summarised below:

(i) Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

(ii) During movement control order implementation period in 2020, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective government's movement control measures. These have negatively impacted business production and volume in 2020, resulting in a negative impact on the Group's financial performance for 2020.

(iii) During the year, the Group has received rental rebates for its leases and also provided rental concession to tenants in its commercial buildings. The effects of such rental concessions received are disclosed in Note 11(c), while the effects of the rental concession provided to the tenants was set-off against rental income as disclosed in Note 31.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Impact of COVID-19 pandemic on basis for preparation of financial statements (Cont'd)

(iv) The Group has considered the market conditions (including the impact of the pandemic) as at 31 December 2020, in making estimates and judgements on the recoverability of assets as disclosed in Notes 6(a), 7(c)(i), 11(a)(i), 15(a)(iv) and 16(a).

For year ending 31 December 2021, as economic environment remains challenging due to the pandemic, the Group cannot reasonably ascertain the full extent of the probable impact of the pandemic disruptions on its operation and financial performance.

3. SEGMENT INFORMATION

This note provides performance analysis of business segment and geographical segment.

The Group's businesses are organised into five core business segments, based on the nature of the products and services. The operating results of each segment are regularly reviewed by the Board of Directors and senior management of the Group to make decisions about resources allocation to the segment and assess its performance. The five core business segments are described as follows:

(1) Property

(i) Property Development
- Development of residential and commercial properties for sale, provision of project management services and sharing of results of associates which are involved in property development activities.

(ii) Property Investment and Management
- Management and letting of properties, contributing rental yield and appreciation of properties and sharing of results of an associate and a joint venture which deals with letting of office space and retails space.

(2) Construction

Building construction revenue derived from the property development projects carried out.

(3) Industries

(i) Olympic - Cables
- Manufacturing and sale of power cables and wires.

(ii) Acotec - Industrialised Building System ("IBS")
- Manufacturing and sale of IBS concrete wall panels and trading of building materials.

(4) Hospitality

(i) Hotels and Resorts under Swiss-Garden
- Management and operation of hotels and resorts, including golf course operations, room rental, food and beverage revenue and fee income.

(ii) SGI Vacation Club
- Management of vacation timeshare and sale of timeshare membership.

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

The Group's businesses are organised into five core business segments, based on the nature of the products and services. The operating results of each segment are regularly reviewed by the Board of Directors and senior management of the Group to make decisions about resources allocation to the segment and assess its performance. The five core business segments are described as follows: (Cont'd)

(5) Financial Services & Investment Holding

(i) Capital Financing
- Financing activities include generating interest, fee and related income on loans and financing portfolio.

(ii) Investment Holding and Others
- Investing activities and other insignificant business segments, where investments contribute dividend income and interest income as well as sharing of results of an associate which is engaged in principal activities as disclosed in Note 9(f).

Business segment performance is evaluated based on operating results which in certain aspects are measured differently from profit or loss in the consolidated financial statements.

Business segment revenue and results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at arms-length with terms mutually agreed between the segments and have been eliminated to arrive at the Group's results. During the year, there is no single external customer which accounted for ten percent or more of the Group's revenue.

Basis of segmentation and related measurement of segment revenue, results, assets and liabilities have no material changes as compared with previous year, other than comparative figures of segment assets which have been reclassified to conform with current year's presentation to reflect its nature of business activities involved. Such reclassifications merely improve disclosure of business segment assets and do not have any financial impact to the Group.

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis:

Business segment assets and liabilities analysis:

	Note	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2020							
Assets							
Tangible assets		2,876,154	39,466	203,048	345,996	1,212,541	4,677,205
Intangible assets	10	236	-	-	-	849	1,085
		2,876,390	39,466	203,048	345,996	1,213,390	4,678,290
Investments in associates and a joint venture	9	635,400	-	-	-	3,245,428	3,880,828
Segment assets		3,511,790	39,466	203,048	345,996	4,458,818	8,559,118
Deferred tax assets and tax recoverable		52,686	1,962	38	24,421	4,447	83,554
Total assets		3,564,476	41,428	203,086	370,417	4,463,265	8,642,672
Liabilities							
Segment liabilities		1,453,709	62,116	40,134	259,124	1,338,470	3,153,553
Deferred tax liabilities and tax payable		96,891	26	9,441	7,173	11,783	125,314
Total liabilities		1,550,600	62,142	49,575	266,297	1,350,253	3,278,867
Expenditure capitalised under:							
Property, plant and equipment	6(b)(i)	1,612	21	5,696	9,971	297	17,597
Investment properties	7(c)(i)	16,951	-	-	-	-	16,951
Intangible assets	10(b)	6	-	-	-	145	151
		18,569	21	5,696	9,971	442	34,699

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment assets and liabilities analysis: (Cont'd)

	Note	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2019							
Assets							
Tangible assets		2,991,765	35,465	195,527	376,165	958,175	4,557,097
Intangible assets	10	364	-	-	-	841	1,205
		2,992,129	35,465	195,527	376,165	959,016	4,558,302
Investments in associates and a joint venture	9	552,649	-	-	-	3,128,552	3,681,201
Assets of disposal group classified as held for sale	23	-	-	21,998	-	-	21,998
Segment assets		3,544,778	35,465	217,525	376,165	4,087,568	8,261,501
Deferred tax assets and tax recoverable		71,368	1,666	57	27,331	5,507	105,929
Total assets		3,616,146	37,131	217,582	403,496	4,093,075	8,367,430
Liabilities							
Segment liabilities		1,419,344	68,044	29,740	253,336	1,396,627	3,167,091
Liabilities of disposal group classified as held for sale	23	-	-	10,135	-	-	10,135
Segment liabilities		1,419,344	68,044	39,875	253,336	1,396,627	3,177,226
Deferred tax liabilities and tax payable		100,028	23	9,968	7,972	8,764	126,755
Total liabilities		1,519,372	68,067	49,843	261,308	1,405,391	3,303,981
Expenditure capitalised under:							
Property, plant and equipment	6(b)(i)	2,824	1,041	6,919	16,028	558	27,370
Investment properties	7(c)(i)	4,693	-	-	-	-	4,693
Intangible assets	10(b)	96	-	-	-	14	110
Right-of-use assets	11(b)(i)	699	-	-	-	-	699
		8,312	1,041	6,919	16,028	572	32,872

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis:

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2020						
Revenue						
Total revenue	703,126	197,523	207,321	48,585	622,976	1,779,531
Inter-segment revenue	(4,867)	(197,523)	(3,686)	(414)	(62,186)	(268,676)
Dividends from:						
- subsidiaries	-	-	-	-	(309,585)	(309,585)
- an associate	-	-	-	-	(115,759)	(115,759)
Revenue from external parties	698,259	-	203,635	48,171	135,446	1,085,511
Results						
Segment profit/(loss)	143,872	1,341	17,961	(40,682)	36,131	158,623
Share of results of associates and a joint venture	54,664	-	-	-	196,294	250,958
	198,536	1,341	17,961	(40,682)	232,425	409,581
Realisation of profit upon completion of sale	-	36	-	-	1,215	1,251
Profit/(Loss) before tax	198,536	1,377	17,961	(40,682)	233,640	410,832
Tax (expense)/income	(49,518)	635	(2,390)	(401)	(16,142)	(67,816)
Profit/(Loss) after tax	149,018	2,012	15,571	(41,083)	217,498	343,016

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2019						
Revenue						
Total revenue	759,337	250,088	297,067	84,075	644,910	2,035,477
Inter-segment revenue	(4,508)	(249,547)	(7,515)	(590)	(44,339)	(306,499)
Dividends from:						
- subsidiaries	-	-	-	-	(417,881)	(417,881)
- an associate	-	-	-	-	(103,574)	(103,574)
Revenue from external parties	754,829	541	289,552	83,485	79,116	1,207,523
Results						
Segment profit/(loss)	165,579	4,852	27,778	(6,311)	2,962	194,860
Share of results of associates and a joint venture	40,480	-	-	-	234,112	274,592
	206,059	4,852	27,778	(6,311)	237,074	469,452
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	3,631	-	-	(2,555)	1,076
Profit/(Loss) before tax	206,059	8,483	27,778	(6,311)	234,519	470,528
Tax (expense)/income	(34,163)	(1,175)	(6,418)	785	(10,898)	(51,869)
Profit/(Loss) after tax	171,896	7,308	21,360	(5,526)	223,621	418,659

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3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business performance analysis are:

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2020						
Revenue (Note 31)						
Interest income	-	-	-	-	74,747	74,747
Cost of Sales (Note 32)						
Depreciation and amortisation	(20)	(26)	(4,910)	-	-	(4,956)
Funding costs	-	-	-	-	(25,567)	(25,567)
Write (down)/back of inventories:						
- completed properties held for sale	(936)	-	-	-	-	(936)
- finished goods	-	-	657	-	-	657
- raw materials	-	-	(23)	-	-	(23)
Other Income (Note 33)						
Fair valuation gain of retention sums	2,264	909	-	-	-	3,173
Foreign currency translations gain	-	-	16	-	-	16
Funds distribution income	4,444	620	-	31	3,648	8,743
Gain on disposals of:						
- a subsidiary	-	-	7,657	-	-	7,657
- plant and equipment	300	-	22	31	68	421
Gain on redemption of short term funds	3,809	-	-	-	41	3,850
Interest income	3,615	62	355	64	764	4,860
Recovery of bad debts of:						
- capital financing	-	-	-	-	51	51
- trade receivables	3	-	-	-	-	3
- other receivables	10	-	-	-	-	10
Write back of impairment losses on:						
- trade receivables	1,287	-	-	2	-	1,289
- other receivables	338	67	-	-	-	405

NOTES TO
THE FINANCIAL STATEMENTS
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3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business performance analysis are: (Cont'd)

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2020 (Cont'd)						
Administrative Expenses (Note 34)						
Depreciation and amortisation	(13,831)	(1,324)	(1,199)	(13,942)	(5,163)	(35,459)
Other Expenses (Note 35)						
Allowance for impairment losses on:						
- trade receivables	(7,047)	(104)	(3,407)	(201)	-	(10,759)
- other receivables	(2,173)	-	-	(675)	-	(2,848)
Fair valuation loss of:						
- biological assets	-	-	-	-	(197)	(197)
- investment properties	(28,271)	-	-	-	-	(28,271)
- securities at fair value through profit or loss	-	-	-	-	(39)	(39)
Foreign currency translations loss	-	-	(438)	-	(175)	(613)
Impairment loss on property, plant and equipment	(1,273)	-	-	(16,840)	-	(18,113)
Loss on disposal of plant and equipment	-	(18)	-	-	-	(18)
Write off of:						
- trade receivables	(4)	-	-	(2)	-	(6)
- other receivables	-	-	-	(83)	-	(83)
- plant and equipment	-	(6)	-	(50)	-	(56)
Finance costs (Note 36)						
Amortisation of finance cost	-	-	-	-	(502)	(502)
Finance costs	(9,321)	(42)	(557)	(3,189)	(33,464)	(46,573)

NOTES TO
THE FINANCIAL STATEMENTS
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3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business performance analysis are: (Cont'd)

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2019						
Revenue (Note 31)						
Interest income	-	-	-	-	60,983	60,983
Cost of Sales (Note 32)						
Depreciation and amortisation	(30)	(77)	(4,711)	-	-	(4,818)
Interest expense of lease liabilities	-	(5)	-	-	-	(5)
Funding costs	-	-	-	-	(19,619)	(19,619)
Write back/(down) of inventories:						
- finished goods	-	-	592	-	-	592
- raw materials	-	-	(83)	-	-	(83)
Other Income (Note 33)						
Fair valuation gain of:						
- biological assets	-	-	-	-	107	107
- retention sums	1,141	-	-	-	-	1,141
- securities at fair value through profit or loss	-	-	-	-	16	16
Foreign currency translations gain	-	-	19	404	-	423
Funds distribution income	7,511	493	-	-	2,232	10,236
Gain on disposal of plant and equipment	216	153	112	135	-	616
Gain on redemption of short term funds	101	-	-	-	-	101
Interest income	4,777	144	405	524	1,356	7,206
Recovery of bad debts of capital financing	-	-	-	-	134	134
Write back of impairment losses on:						
- capital financing	-	-	-	-	87	87
- trade receivables	342	-	1,856	242	-	2,440
- other receivables	160	-	-	-	-	160

NOTES TO
THE FINANCIAL STATEMENTS
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3. SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business performance analysis are: (Cont'd)

	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
2019 (Cont'd)						
Administrative Expenses (Note 34)						
Depreciation and amortisation	(4,067)	(1,834)	(1,303)	(12,121)	(4,959)	(24,284)
Other Expenses (Note 35)						
Allowance for impairment losses on:						
- trade receivables	(271)	-	(1,958)	(3)	-	(2,232)
- other receivables	(785)	-	-	-	-	(785)
Fair valuation loss of investment properties	(1,308)	-	-	-	-	(1,308)
Foreign currency translations loss	-	-	(24)	(95)	(18)	(137)
Loss on disposal of plant and equipment	-	-	-	(33)	-	(33)
Write off of:						
- trade receivables	(500)	-	-	(172)	-	(672)
- plant and equipment	(24)	(13)	(1)	(101)	(2)	(141)
Finance costs (Note 36)						
Amortisation of finance cost	-	-	-	-	(524)	(524)
Finance costs	(11,757)	(80)	(904)	(3,352)	(47,258)	(63,351)

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. SEGMENT INFORMATION (CONT'D)

(b) Geographical segments analysis:

The Group's operations are mainly based in Malaysia (for all the five core businesses) and Australia (Property Development and Property Investment). Other geographical segments mainly include investment holding entities in Singapore, British Virgin Islands and Cayman Islands.

On 30 June 2020, the Group's Vietnam subsidiary had been disposed and the details are disclosed in Note 23.

	Note	Malaysia RM'000	Australia RM'000	Vietnam RM'000	Others RM'000	Consolidated RM'000
2020						
Revenue		**1,066,444**	**-**	**19,067@**	**-**	**1,085,511**
Profit/(Loss) before tax		**356,192***	**54,698#**	**(4)@**	**(54)**	**410,832**
Non-current assets ^		**2,462,902**	**3,421**	**-**	**-**	**2,466,323**
Expenditure capitalised under:						
Property, plant and equipment	6(b)(i)	**17,597**	**-**	**-**	**-**	**17,597**
Investment properties	7(c)(i)	**16,951**	**-**	**-**	**-**	**16,951**
Intangible assets	10(b)	**151**	**-**	**-**	**-**	**151**
		34,699	**-**	**-**	**-**	**34,699**
2019						
Revenue		1,168,300	-	39,223	-	1,207,523
Profit/(Loss) before tax		469,446	739	393	(50)	470,528
Non-current assets ^		2,349,153	-	-	-	2,349,153
Expenditure capitalised under:						
Property, plant and equipment	6(b)(i)	26,698	-	672	-	27,370
Investment properties	7(c)(i)	4,693	-	-	-	4,693
Intangible assets	10(b)	110	-	-	-	110
Right-of-use assets	11(b)(i)	699	-	-	-	699
		32,200	-	672	-	32,872

* Included a gain on disposal of a subsidiary of RM7.7 million.

\# Included share of profit of an associate, Yarra Park City Pty. Ltd., of RM53.6 million.

@ Operating results of the Vietnam subsidiary was consolidated for the period from 1 January 2020 to 30 June 2020 as the Group ceased its control as at 30 June 2020 [Note 8(b)(v)].

^ Non-current assets exclude financial instruments, deferred tax assets and investments in associates and a joint venture.

4. CAPITAL MANAGEMENT

This note outlines the overview of the Group's capital management policy.

Capital is equivalent to issued capital and reserves attributable to the Owners of the Company or Shareholders' funds. The primary objectives of the Group's capital management are to ensure that it maintains optimum capital base and healthy capital ratios in order to sustain its future business development so that the Group is able to continue to provide returns and maximise Shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to Shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, the Group may adjust the dividend payment to its Shareholders, return capital to Shareholders or issue new shares.

The Group monitors capital by actively managing the level of gearing ratio which is the net debts divided by the Shareholders' funds. The gearing ratio at the end of the year is as follows:

		Group	
	Note	2020 RM'000	2019 RM'000
Borrowings	24	**2,396,997**	2,378,532
Lease liabilities	11	**28,598**	29,695
Derivative liabilities	20	**6,013**	-
Less: Cash, bank balances and short term funds	22	**(662,702)**	(585,844)
Net debts		**1,768,906**	1,822,383
Issued capital and reserves attributable to Owners of the Company/Shareholders' funds		**5,294,419**	4,989,463
Gearing ratio (times)		**0.33**	0.37

The Group manages its treasury centrally via a treasury management centre and allocates cash and financing to support business requirements. The Group is required to maintain a maximum gearing ratio of 1.5 times to comply with covenants, as disclosed in Notes 24(b), 24(c) and 24(d). The Group has complied with these covenants throughout the year. During the year, the Group net debts reduced by RM53.5 million and the Shareholders' funds strengthened by RM305.0 million. Consequently, the gearing ratio of the Group reduced to 0.33 times compared to 0.37 times a year ago.

5. FINANCIAL RISK MANAGEMENT

This note provides information about the types of key financial risks on the financial instruments of the Group and the Company which categorised as follow:

(i) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL");
(ii) Financial assets and financial liabilities at amortised costs ("AC"); and
(iii) Financial assets at fair value through other comprehensive income ("FVOCI").

Group	Note	FVTPL RM'000	AC RM'000	FVOCI RM'000	Total RM'000
2020					
Financial assets					
Capital financing	14	**-**	**822,918**	**-**	**822,918**
Trade receivables	15	**-**	**219,644**	**-**	**219,644**
Other assets excluding prepayments	16	**-**	**86,998**	**-**	**86,998**
Securities at fair value through profit or loss	21	**225**	**-**	**-**	**225**
Cash, bank balances and short term funds	22	**470,110**	**192,592**	**-**	**662,702**
		470,335	**1,322,152**	**-**	**1,792,487**
Financial liabilities					
Lease liabilities	11	**-**	**28,598**	**-**	**28,598**
Derivative liabilities	20	**-**	**-**	**6,013**	**6,013**
Borrowings	24	**-**	**2,396,997**	**-**	**2,396,997**
Trade payables	25	**-**	**102,738**	**-**	**102,738**
Other liabilities excluding provisions	26	**-**	**394,785**	**-**	**394,785**
		-	**2,923,118**	**6,013**	**2,929,131**
2019					
Financial assets					
Capital financing	14	-	777,186	-	777,186
Trade receivables	15	-	280,613	-	280,613
Other assets excluding prepayments	16	-	73,083	-	73,083
Securities at fair value through profit or loss	21	264	-	-	264
Cash, bank balances and short term funds	22	446,335	139,509	-	585,844
		446,599	1,270,391	-	1,716,990
Financial liabilities					
Lease liabilities	11	-	29,695	-	29,695
Borrowings	24	-	2,378,532	-	2,378,532
Trade payables	25	-	97,622	-	97,622
Other liabilities excluding provisions	26	-	427,384	-	427,384
		-	2,933,233	-	2,933,233

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

Company	Note	FVTPL RM'000	AC RM'000	FVOCI RM'000	Total RM'000
2020					
Financial assets					
Other assets excluding prepayments	16	**-**	**41,969**	**-**	**41,969**
Securities at fair value through profit or loss	21	**225**	**-**	**-**	**225**
Cash, bank balances and short term funds	22	**9,744**	**1,342**	**-**	**11,086**
		9,969	**43,311**	**-**	**53,280**
Financial liabilities					
Lease liabilities	11	**-**	**3,271**	**-**	**3,271**
Amounts due to subsidiaries	19	**-**	**413,065**	**-**	**413,065**
Borrowings	24	**-**	**231,270**	**-**	**231,270**
Other liabilities excluding provisions	26	**-**	**283**	**-**	**283**
		-	**647,889**	**-**	**647,889**
2019					
Financial assets					
Other assets excluding prepayments	16	-	670	-	670
Amounts due from subsidiaries	19	-	165	-	165
Derivative assets	20	64,670	-	-	64,670
Securities at fair value through profit or loss	21	264	-	-	264
Cash, bank balances and short term funds	22	14,089	794	-	14,883
		79,023	1,629	-	80,652
Financial liabilities					
Lease liabilities	11	-	1,704	-	1,704
Amounts due to subsidiaries	19	-	389,586	-	389,586
Borrowings	24	-	305,278	-	305,278
Other liabilities excluding provisions	26	-	1,982	-	1,982
		-	698,550	-	698,550

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D)

Key financial risks, measurements and respective mitigation strategies of the Group

Types of risks and exposures	Note	Measurement	Strategies
(a) Liquidity risk			
Derivative liabilities	20	Cash flow forecasts Debts maturity analysis	Right mix of short-mid-long terms fundings Availability of committed lines and credit facilities Monitoring of short terms funds
Borrowings	24		
Trade payables	25		
Other liabilities excluding provisions	26		
Lease liabilities	11		
(b) Market risk			
(i) Interest rate risk			
Deposits with licensed financial institutions	22	Sensitivity analysis Funding cost analysis	Diversification of bankers Diversification of borrowings types Centralisation of treasury management
Housing Development Accounts	22		
Borrowings	24		
Lease liabilities	11		
(ii) Currency risk			
Trade receivables	15	Cash flow forecasts Sensitivity analysis	Foreign currency forwards and cross-currency swap Foreign operations use local financing i.e. natural hedge
Other assets excluding prepayments	16		
Cash, bank balances and short term funds	22		
Borrowings	24		
Trade payables	25		
Other liabilities excluding provisions	26		
(c) Credit risk			
Capital financing	14	Credit ratings Ageing analysis Creditworthiness	Securing of adequate collaterals Diversification of deposits with bankers Guidelines for short term placements
Trade receivables	15		
Other assets excluding prepayments	16		
Contract assets	17		
Bank balances and short term funds	22		
Financial guarantees given to licensed financial institutions for credit facilities granted to its associate and joint venture	5(c)		

5. FINANCIAL RISK MANAGEMENT (CONT'D)

The Group's Enterprise Risk Management framework outlines the governance and controls application of risk management throughout our business operations and finance processes. In addition, the treasury management centre together with the business units identify, evaluate and manage financial risks.

There were no material changes in the exposures to risks and how they arise or its objectives, policies and processes for managing the risks and the methods used to measure the risks from the previous year.

Objectives and policies

The Group's and the Company's financial risk management policies and guidelines are established to ensure that financial resources are adequately available for business development whilst managing the financial risks that are exposed to the Group i.e. liquidity risk, market risk (include interest rate and currency risk) and credit risk. The Group also manages and allocates its capital resources centrally to ensure that all business units maintain the required level of capital and prudent level of liquidity at all times.

The Board of Directors embrace effective risk management as an integral part of the Group business, operations and decision making process. The Board acknowledges that the activities of the Group may involve some degree of risks and it should be noted that any system could only provide a reasonable and not absolute assurance against any misstatement or loss.

The Board will pursue an ongoing process for identifying, assessing and managing key business areas, overall operational and financial risks faced by the Group's business units as well as regularly reviewing and enhancing risk mitigation strategies.

Key financial risks exposure of the Group and the Company are elaborated below:

(a) Liquidity risk

Liquidity risk definition and strategy

Liquidity risk is the risk that the Group and the Company will encounter difficulties in maintaining and raising funds to meet its financial commitments and obligations when they fall due at a reasonable cost. Funding needs of the Group and the Company are primarily met by bank borrowings and internally generated funds.

The Group and the Company seek to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. The Group's and the Company's policy seeks to ensure that all projected net borrowing needs are covered by adequate committed facilities. In addition, debt maturities are right mix of short-mid-long terms and closely monitored to ensure that the Group and the Company are able to meet its refinancing needs and obligations as and when they fall due.

Cash flow forecasts, taking into account all major transactions, are prepared and monitored. Any excess funds from operating cash cycles, which are temporary in nature, are invested in short term funds as and when available with a wide array of licensed financial institutions at the most beneficial interest rates.

The Group and the Company manage the funding needs and allocates funds in such manner that all business units maintain optimum levels of liquidity which are sufficient for their operations. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The pandemic placed severe stress on the Group's Hospitality Segment as revenue-generating activities were severely restricted in addition to low tourism, meeting and convention activities. In response to possible future liquidity constraints arising from the pandemic, the Group has taken drastic actions to close a few of the Group's hotels since implementation of Movement Control Order ("MCO") on 18 March 2020 and a few of the Group's hotels have re-opened on 1 July 2020 with lower room inventory.

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THE FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk exposures

The table below analyses the Group's and the Company's financial liabilities into relevant maturity grouping based on the remaining period at the end of the year to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and the balances shown below will not agree to the balances as reported in the statements of financial position as the table incorporates all contractual cash flows on an undiscounted basis, including both principal and interest payments.

Group	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Over 5 years RM'000	Total contractual undiscounted cash flows RM'000
2020					
Borrowings	**947,017**	**330,236**	**889,890**	**452,435**	**2,619,578**
Trade payables	**86,348**	**9,990**	**6,400**	**-**	**102,738**
Lease liabilities	**16,294**	**13,023**	**1,370**	**-**	**30,687**
Other liabilities excluding provisions	**345,455**	**20,690**	**30,000**	**-**	**396,145**
Derivative liabilities	**-**	**-**	**6,013**	**-**	**6,013**
	1,395,114	**373,939**	**933,673**	**452,435**	**3,155,161**
2019					
Borrowings	1,053,230	259,086	843,858	520,014	2,676,188
Trade payables	80,079	14,330	3,213	-	97,622
Lease liabilities	9,549	8,983	13,845	-	32,377
Other liabilities excluding provisions	420,915	6,469	-	-	427,384
	1,563,773	288,868	860,916	520,014	3,233,571

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk exposures (Cont'd)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity grouping based on the remaining period at the end of the year to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and the balances shown below will not agree to the balances as reported in the statements of financial position as the table incorporates all contractual cash flows on an undiscounted basis, including both principal and interest payments. (Cont'd)

Company	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Over 5 years RM'000	Total contractual undiscounted cash flows RM'000
2020					
Borrowings	**46,733**	**195,633**	**-**	**-**	**242,366**
Lease liabilities	**1,717**	**1,152**	**548**	**-**	**3,417**
Other liabilities excluding provisions	**283**	**-**	**-**	**-**	**283**
	48,733	**196,785**	**548**	**-**	**246,066**
Amounts due to subsidiaries	**413,065**	**-**	**-**	**-**	**413,065**
	461,798	**196,785**	**548**	**-**	**659,131**
2019					
Borrowings	52,860	86,440	197,073	-	336,373
Lease liabilities	1,207	564	-	-	1,771
Other liabilities excluding provisions	1,982	-	-	-	1,982
	56,049	87,004	197,073	-	340,126
Amounts due to subsidiaries	389,586	-	-	-	389,586
	445,635	87,004	197,073	-	729,712

In respect of the borrowings that are supported by corporate guarantees provided by the Group and the Company as disclosed in Note (c), there was no indication as at 31 December 2020 that any subsidiaries, associate or joint venture would default. In the event of a default by the subsidiaries, associate or joint venture, the financial guarantees could be called on demand.

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market conditions. The Group is exposed to two types of market risk i.e. interest rate risk and currency risk while the Company is only exposed to interest rate risk. Management continually evaluates risk arising from adverse movements in market prices or rates. External conditions such as global and domestic economic climates that are generally unpredictable and uncontrollable may affect the overall performance of the Group.

(i) Interest rate risk

Interest rate risk definition and strategy

Interest rate risk is the risk that the fair value or yield (i.e. future cash flows) of a financial instrument will fluctuate because of changes in market interest rates. The Group and the Company manage the floating rate borrowings based on respective licensed financial institutions' cost of funds or base rates to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The floating rate borrowings are monitored and negotiated according to changes in the interest rates to ensure that the Group and the Company are benefited from the lowest possible finance cost.

Following the global financial crisis, evidence showed that widely used interest rate indices, such as London Interbank rate ("LIBOR"), required reform. Malaysia, the main country that the Group operated in, is in the process of identifying the alternative risk free rates ("RFRs"). There is currently uncertainty about the timing and precise nature of these changes.

To transit existing contracts and agreements that reference interbank offered rate ("IBOR") to RFRs, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition.

The Group's treasury management centre is monitoring the development of the interest rate reform and managing the Group's KLIBOR transition plan. The greatest change will be amendments to the contractual terms of the KLIBOR referenced floating rate debt and the associated swap and the corresponding update of the hedge designation.

The Group's and the Company's interest rate risk mainly arise from long term borrowings with variable rates which expose the Group and the Company to cash flow interest rate risk. The Group's and the Company's borrowings at variable rates were mainly denominated in RM. The borrowings carried at amortised cost are periodically and contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

Interest rate risk exposures

The financial instruments of the Group and the Company that are exposed to interest rate risk are disclosed in Notes 11, 19, 22 and 24.

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group's and the Company's profit after tax if interest rates had been an average of 25 (2019: 25) basis points higher/lower for the Group and the Company, with all other variables remain constant, arising mainly as a result of higher/lower net interest income from the capital financing and interest expense of the Group's and the Company's borrowings.

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit after tax				
Interest rates				
- increased by 0.25%	**(1,786)**	(1,986)	**(1,209)**	(1,295)
- decreased by 0.25%	**1,786**	1,986	**1,209**	1,295

(ii) Currency risk

Currency risk definition and strategy

Currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group predominantly operates in Malaysia. The Group also carries out its business in Australia. Certain subsidiaries in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises when transactions are denominated in foreign currencies which is minimal for the financial assets and liabilities of the Group. Despite the foregoing, the Group uses currency forwards or cross-currency swap to mitigate currency risk when appropriate.

The Group's strategy has not changed due to the pandemic. However, the economic downturn caused by the pandemic has impacted the fair value of the cross-currency swap contract that the Group entered into. Nevertheless, the hedge remains effective and the temporary impact on fair value will be reversed when matured or expired.

The Company's financial assets and financial liabilities are denominated in RM.

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Currency risk exposures

The following tables summarised the currency exposure of financial assets and financial liabilities of the Group as at year end which are mainly in Ringgit Malaysia ("RM"), Australian Dollar ("AUD") and United States Dollar ("USD"). Exposure to other currencies mainly include Hong Kong Dollar, Singapore Dollar and Euro.

Group		Denominated in				
	Note	RM RM'000	AUD RM'000	USD RM'000	Others RM'000	Total RM'000
2020						
Financial assets						
Capital financing	14	**822,918**	-	-	-	**822,918**
Trade receivables	15	**219,636**	-	-	**8**	**219,644**
Other assets excluding prepayments	16	**85,072**	**63**	**1,863**	-	**86,998**
Securities at fair value through profit or loss	21	**225**	-	-	-	**225**
Cash, bank balances and short term funds	22	**643,361**	**18,780**	**476**	**85**	**662,702**
		1,771,212	**18,843**	**2,339**	**93**	**1,792,487**
Financial liabilities						
Lease liabilities	11	**28,598**	-	-	-	**28,598**
Borrowings	24	**2,252,529**	-	**144,468**	-	**2,396,997**
Trade payables	25	**100,841**	-	**1,886**	**11**	**102,738**
Other liabilities excluding provisions	26	**394,736**	**49**	-	-	**394,785**
Derivative liabilities	20	**6,013**	-	-	-	**6,013**
		2,782,717	**49**	**146,354**	**11**	**2,929,131**

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Currency risk exposures (Cont'd)

The following tables summarised the currency exposure of financial assets and financial liabilities of the Group as at year end which are mainly in Ringgit Malaysia ("RM"), Australian Dollar ("AUD") and United States Dollar ("USD"). Exposure to other currencies mainly include Hong Kong Dollar, Singapore Dollar and Euro. (Cont'd)

Group (Cont'd)		Denominated in				
	Note	RM RM'000	AUD RM'000	USD RM'000	Others RM'000	Total RM'000
2019						
Financial assets						
Capital financing	14	777,186	-	-	-	777,186
Trade receivables	15	280,612	-	-	1	280,613
Other assets excluding prepayments	16	72,807	55	221	-	73,083
Securities at fair value through profit or loss	21	264	-	-	-	264
Cash, bank balances and short term funds	22	582,192	3,463	24	165	585,844
		1,713,061	3,518	245	166	1,716,990
Financial liabilities						
Lease liabilities	11	29,695	-	-	-	29,695
Borrowings	24	2,378,532	-	-	-	2,378,532
Trade payables	25	95,863	-	1,748	11	97,622
Other liabilities excluding provisions	26	427,384	-	-	-	427,384
		2,931,474	-	1,748	11	2,933,233

The Group holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations are managed through borrowings denominated in the relevant foreign currencies. During the year, there is no other significant foreign exchange risk arising from foreign currency transactions that may affect the overall activities of the Group.

Company

The Company is not exposed to foreign currency exchange risks, hence currency risk disclosure for the Company is not presented.

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Sensitivity analysis for currency risk

The following table demonstrates sensitivity analysis of the Group's profit after tax to a reasonably possible change in AUD and USD exchange rate against the functional currency of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currency.

	Group	
	2020 RM'000	**2019 RM'000**
Profit after tax		
AUD/RM		
- strengthen by 3%	**429**	80
- weaken by 3%	**(429)**	(80)
USD/RM		
- strengthen by 3%	**(3,284)**	(34)
- weaken by 3%	**3,284**	34

(c) Credit risk

Credit risk definition, strategy and exposures

Credit risk is the risk of potential financial loss to the Group and the Company arising from the failure of a counterparty to fulfil its obligations under a contractual agreement and include settlement/clearing risk, concentration risk, credit assessment risk, recovery risk and credit-related liquidity risk.

Credit risk exposure of the Group arises principally from capital financing, trade receivables, contract assets, other receivables, bank balances, short term funds and financial guarantees given to licensed financial institutions for credit facilities granted to its associate and joint venture. The Company's exposure to credit risk arises principally from bank balances, short term funds, amounts due from subsidiaries and financial guarantees given to licensed financial institutions for credit facilities granted to its subsidiaries and associate of the Group.

The Group's and the Company's business activities are guided by internal credit policies and guidelines that are approved by the Board of Directors, which have been established to ensure that the overall objectives in the area of lending are achieved. The Group and the Company conservatively manage its credit risk by controlling on granting of credits, revision in limits and other monitoring procedures. In response to the pandemic, management has also been performing more frequent reviews of credit limit of customers and monitor closely the receivables ageing.

The Group is monitoring the economic environment in response to the pandemic and is taking actions to limit its exposure to customers that are severely impacted. During the year ended 31 December 2020, the Group has reviewed the expected credit loss model by revisiting the criteria in determining the significant increase in credit risk.

The balances disclosed in the statements of financial position had netted off with the credit risk exposure of the Group and of the Company through the impairment assessment carried out.

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Impairment assessment

The Group adopts 'simplified approach' and 'general approach' impairment assessment pursuant to MFRS 9 'Financial Instruments' for impairment assessment and the related assessments are disclosed in Notes 14, 15, 16, 17, 19 and 22.

Allowance for impairment losses are made and interest income is recognised in accordance with the relevant accounting policies or when deemed necessary based on estimates of expected losses that may arise from non-collection of debts from its business. Impairment is made based on individual assessment only when avenues of recovery have been exhausted and the debts are deemed to be irrecoverable in the foreseeable future.

Amount due from subsidiaries, associate and joint venture are assessed on an individual basis. It is assumed that there is a significant increase in credit risk when the subsidiary's or associate's or joint venture's financial position deteriorates significantly. Amounts due from subsidiaries, associate and joint venture; and financial guarantees are credit impaired when such subsidiary or associate or joint venture is unable to meet its debts when due after exhausting its capability to secure new financing. It requires management to exercise significant judgement in determining the probability of default of the advances and financial guarantees, appropriate forward-looking information and significant increase in credit risk. The maximum credit risk exposure of the Company arising from the amounts due from subsidiaries are represented by their carrying amounts in the statements of financial position as disclosed in Note 19. Amounts due from subsidiaries had low credit risk at the end of the previous year as the amounts due from subsidiaries were fully recovered.

The bank balances are placed with credit worthy licensed financial institutions. Therefore, both bank balances and short term funds have low credit risk.

Financial guarantee contracts

Corporate guarantees are granted to lenders for financing facilities extended to certain subsidiaries, an associate and a joint venture. The maximum credit risk exposure of the financial guarantees issued are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Corporate guarantees given to licensed financial institutions for credit facilities granted to:				
- subsidiaries	**-**	-	**1,940,391**	1,782,167
- an associate	**437,603**	405,933	**437,603**	405,933
Corporate guarantees given to suppliers for materials supply to a subsidiary	**-**	-	**30,400**	18,000
Corporate guarantees given to licensed financial institutions for credit facilities granted to a joint venture	**35,333**	37,195	**-**	-
	472,936	443,128	**2,408,394**	2,206,100

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Financial guarantee contracts (Cont'd)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantee are crystallised. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.

Financial guarantees have low credit risk at the end of the year as the financial guarantees are unlikely to be called by the licensed financial institutions.

The fair values of the financial guarantees are negligible as the probability of an associate and a joint venture defaulting repayment and the licensed banks calling upon the financial guarantees are remote.

6. PROPERTY, PLANT AND EQUIPMENT

This note provides information about the fixed assets held by the Group and the Company to generate business income.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Freehold land and golf course on freehold land	**179,811**	180,486	**-**	-
Buildings and jetty	**317,617**	333,111	**-**	-
Plant and machinery	**13,915**	19,264	**-**	-
Motor vehicles and boats	**2,892**	3,641	**261**	327
Furniture, fittings, equipment and renovation	**44,135**	49,589	**623**	686
Capital-in-progress	**4,979**	4,720	**-**	-
Bearer plant	**13,803**	14,707	**-**	-
	577,152	605,518	**884**	1,013
Net carrying amount analysed by business segments:				
Property	**170,402**	174,932		
Construction	**2,972**	5,730		
Industries	**70,376**	70,353		
Hospitality	**317,263**	337,064		
Financial Services & Investment Holding	**16,139**	17,439		
	577,152	605,518		

All the property, plant and equipment with carrying amount are in used for business.

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

(a) Recognition, measurement and significant judgement

Property, plant and equipment are recognised when it is probable that the future economic benefits will flow to the Group and the Company. These assets are initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and golf course on freehold land are not depreciated. Capital-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is calculated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life. The estimated useful life represents common life expectancies applied in the industry within which the Group and the Company operate.

The principal depreciation periods and annual rates used are as follows:

	Years	Percentage (%)
Buildings and jetty	24 - 60	1 - 4
Plant and machinery	5 - 10	10 - 20
Motor vehicles and boats	5 - 7	15 - 20
Furniture, fittings, equipment and renovation	5 - 10	10 - 20
Bearer plants	22	5

Residual value, useful life and depreciation method are reviewed at the end of the year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. At the end of the year, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An impairment is accounted for if the carrying amount exceeds the recoverable amount.

Carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

For the purpose of impairment assessment, recoverable amount of the property, plant and equipment is determined based on either (a) a "value-in-use" of Cash Generating Units ("CGU"); or (b) indicative market value of the property, plant and equipment, where appropriate.

Value-in-use of the CGU is determined by discounting the future cash flows to be generated from continuing use of the CGU. Significant judgement is used in making these estimates on future results and key assumptions applied to cash flow projections of the CGU. Key assumptions used in the value-in-use calculations were probability weighted based on the following scenarios:

	Best case	Base case	Worst case
Weighting	10%	60%	30%
Average annual revenue growth rates	36%	33%	31%
Average gross profit margins	47%	43%	41%
Pre-tax discount rate	5.5%	5.5%	5.5%

Further details of the impairment is disclosed in Note (b)(v).

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

(b) Other information

(i) Movement of property, plant and equipment

Group	Note	Freehold land and golf course on freehold land RM'000	Buildings and jetty RM'000	Plant and machinery RM'000	Motor vehicles and boats RM'000	Furniture, fittings, equipment and renovation RM'000	Capital-in-progress RM'000	Bearer plant RM'000	Total RM'000
2020									
Cost									
At the beginning of the year		180,486	466,098	119,507	15,335	143,436	6,840	18,058	949,760
Additions	3(a),3(b)	-	3,506	298	600	8,201	4,992	-	17,597
Disposals		-	-	(168)	(2,080)	(297)	-	-	(2,545)
Write off	(b)(iv)	-	-	-	-	(470)	-	-	(470)
Reclassification		-	3,648	-	159	926	(4,733)	-	-
At the end of the year		180,486	473,252	119,637	14,014	151,796	7,099	18,058	964,342
Accumulated depreciation									
At the beginning of the year		-	122,610	100,243	11,694	93,847	-	3,351	331,745
Charge for the year	(b)(iii)	-	10,364	5,651	1,501	9,132	-	904	27,552
Disposals		-	-	(172)	(2,073)	(215)	-	-	(2,460)
Write off	(b)(iv)	-	-	-	-	(257)	-	-	(257)
At the end of the year		-	132,974	105,722	11,122	102,507	-	4,255	356,580
Accumulated impairment									
At the beginning of the year		-	10,377	-	-	-	2,120	-	12,497
Made during the year	(b)(v)	675	12,284	-	-	5,154	-	-	18,113
At the end of the year		675	22,661	-	-	5,154	2,120	-	30,610
Net carrying amount		179,811	317,617	13,915	2,892	44,135	4,979	13,803	577,152

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

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment (Cont'd)

Group (Cont'd)	Note	Freehold land and golf course on freehold land RM'000	Leasehold land RM'000	Buildings and jetty RM'000	Plant and machinery RM'000	Motor vehicles and boats RM'000	Furniture, fittings, equipment and renovation RM'000	Capital-in-progress RM'000	Bearer plant RM'000	Total RM'000
2019										
Cost										
At the beginning of the year		180,486	60,526	460,385	129,161	16,174	124,539	13,730	18,058	1,003,059
Reclassified to right-of-use assets upon adoption of MFRS 16	11(b)(i)	-	(60,526)	-	-	-	-	-	-	(60,526)
As restated		180,486	-	460,385	129,161	16,174	124,539	13,730	18,058	942,533
Additions	3(a),3(b)	-	-	2,485	1,007	668	15,867	7,343	-	27,370
Disposals		-	-	-	(6,167)	(1,212)	(844)	-	-	(8,223)
Write off	(b)(iv)	-	-	-	(931)	-	(1,672)	-	-	(2,603)
Foreign currency translation differences		-	-	(43)	(34)	(4)	(4)	-	-	(85)
Reclassification		-	-	7,936	-	-	5,680	(13,616)	-	-
Reclassified to disposal group held for sale	23	-	-	(4,665)	(3,529)	(291)	(130)	(617)	-	(9,232)
At the end of the year		180,486	-	466,098	119,507	15,335	143,436	6,840	18,058	949,760

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

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment (Cont'd)

Group (Cont'd)	Note	Freehold land and golf course on freehold land RM'000	Leasehold land RM'000	Buildings and jetty RM'000	Plant and machinery RM'000	Motor vehicles and boats RM'000	Furniture, fittings, equipment and renovation RM'000	Capital-in-progress RM'000	Bearer plant RM'000	Total RM'000
2019 (Cont'd)										
Accumulated depreciation										
At the beginning of the year		-	10,108	113,893	104,541	11,340	87,603	-	2,447	329,932
Reclassified to right-of-use assets upon adoption of MFRS 16	11(b)(i)	-	(10,108)	-	-	-	-	-	-	(10,108)
As restated		-	-	113,893	104,541	11,340	87,603	-	2,447	319,824
Charge for the year	(b)(iii)	-	-	9,723	6,183	1,815	8,325	-	904	26,950
Disposals		-	-	-	(6,133)	(1,212)	(422)	-	-	(7,767)
Write off	(b)(iv)	-	-	-	(931)	-	(1,531)	-	-	(2,462)
Foreign currency translation differences		-	-	(10)	(33)	(3)	(1)	-	-	(47)
Reclassified to disposal group held for sale	23	-	-	(996)	(3,384)	(246)	(127)	-	-	(4,753)
At the end of the year		-	-	122,610	100,243	11,694	93,847	-	3,351	331,745
Accumulated impairment										
At the beginning/ end of the year		-	-	10,377	-	-	-	2,120	-	12,497
Net carrying amount		180,486	-	333,111	19,264	3,641	49,589	4,720	14,707	605,518

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

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment (Cont'd)

Company	Note	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Total RM'000
2020				
Cost				
At the beginning of the year		**464**	**1,046**	**1,510**
Additions		**-**	**97**	**97**
At the end of the year		**464**	**1,143**	**1,607**
Accumulated depreciation				
At the beginning of the year		**137**	**360**	**497**
Charge for the year	(b)(iii)	**66**	**160**	**226**
At the end of the year		**203**	**520**	**723**
Net carrying amount		**261**	**623**	**884**
2019				
Cost				
At the beginning of the year		464	847	1,311
Additions		-	201	201
Write off	(b)(iv)	-	(2)	(2)
At the end of the year		464	1,046	1,510
Accumulated depreciation				
At the beginning of the year		71	223	294
Charge for the year	(b)(iii)	66	138	204
Write off	(b)(iv)	-	(1)	(1)
At the end of the year		137	360	497
Net carrying amount		327	686	1,013

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

(b) Other information (Cont'd)

(ii) Assets pledged as security

Property, plant and equipment of certain subsidiaries with the following carrying amounts are pledged to licensed financial institutions for credit facilities granted to subsidiaries:

	Note	Group 2020 RM'000	Group 2019 RM'000
Freehold land and golf course on freehold land		**55,890**	55,890
Buildings and jetty		**142,357**	148,437
	24(f)	**198,247**	204,327

(iii) Depreciation charge

The total depreciation charge for the year is as follows:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Recognised in profit or loss and classified under:					
- Cost of sales	32(b)	**4,875**	4,713	**-**	-
- Administrative expenses	34	**20,657**	20,076	**226**	204
Charged to contract assets and liabilities in relation to construction contracts	17(b)(ii)	**2,020**	2,161	**-**	-
	(b)(i)	**27,552**	26,950	**226**	204

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

(b) Other information (Cont'd)

(iv) Write off

Plant and equipment written off for the year are as follows:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost		**470**	2,603	**-**	2
Accumulated depreciation		**(257)**	(2,462)	**-**	(1)
Net carrying amount		**213**	141	**-**	1
Recognised in profit or loss and classified under:					
- Other expenses	35	**56**	141	**-**	1
Charged to contract assets and liabilities in relation to construction contracts	17(b)(ii)	**157**	-	**-**	-
	(b)(i)	**213**	141	**-**	1

(v) Impairment

		Group	
	Note	2020 RM'000	2019 RM'000
Freehold land		**675**	-
Buildings		**12,284**	-
Furniture, fittings and equipment		**5,154**	-
	35	**18,113**	-

Impairment assessment on property, plant and equipment of certain subsidiaries was carried out based on "value-in-use" of CGU by using the key assumptions as disclosed in Note (a) above. There were no indication of impairment as the recoverable amounts of such CGU were higher than their carrying amounts. With regard to the assessment of value-in-use of the CGU, it is believed that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

For impairment assessment on property, plant and equipment of certain subsidiaries under hotel and property investment division carried out based on the indicative market values of property, plant and equipment, the Group had recognised RM18.1 million of impairment loss in the profit or loss during the year as the recoverable amounts based on indicative market values were lower than the carrying amounts of the property, plant and equipment resulted by the pandemic as disclosed in Note 2.

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7. INVESTMENT PROPERTIES

This note provides information about the investment properties held by the Group to generate rental income and benefit from capital appreciation.

		Group	
	Note	2020 RM'000	2019 RM'000
Investment properties	(c)(i)	**424,572**	452,829
Investment property under construction	(c)(i)	**31,731**	11,951
		456,303	464,780
Carrying amount analysed by business segments:			
Property		**456,038**	464,515
Industries		**265**	265
		456,303	464,780

(a) Recognition and measurement

Investment properties comprise properties held for rental yields or capital appreciation or both and are not occupied by the Group.

Investment properties are recognised when it is probable that the future economic benefits will flow to the Group. These investment properties are recognised initially at acquisition cost, being the fair value of consideration paid, including related transaction costs and subsequently measured at fair value. Investment property under construction is measured at fair value if the fair value is considered reliable, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed. Therefore, it is measured at cost until either the fair value becomes reliably determinable or construction is completed, whichever is earlier.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed off when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Gains or losses arising from changes in the fair values of investment properties during the year are recognised in the profit or loss.

Investment properties are derecognised when either they have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal during the year are recognised in profit or loss.

7. INVESTMENT PROPERTIES (CONT'D)

(b) Fair value measurement and significant judgement

(i) Valuation process overview

The Group's investment properties are valued by independent professionally qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes. Below are the key review processes carried out each year:

(1) Verification of all major inputs to the independent valuation reports;

(2) Assessment of property valuation movements when compared to the prior year valuation reports; and

(3) Discussions with the independent valuers.

(ii) Valuation techniques adopted

Pursuant to MFRS 13 'Fair Value Measurement', the Group establishes a fair value hierarchy that is categorised into three levels of inputs for valuation techniques which are used to measure fair value.

The carrying amount of the assets can be categorised into the fair value hierarchy as follows:

(1) Level 1, using unadjusted active market price of identified assets.

(2) Level 2, valuation techniques which all inputs that have a significant effect on the recorded fair values are observable for the asset, using the market approach (comparison method) which uses observable inputs (including prices and other relevant information generated by market transactions involving identical or comparable/similar assets).

(3) Level 3, valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data for the asset, using investment, residual, income capitalisation, cost and comparison methods based on inputs which are not observable market data.

(iii) Fair value measurement of investment properties

The Group engaged independent valuation specialists to determine fair values of certain investment properties when required. The fair value was determined using comparison, cost and/or income capitalisation methods.

The key inputs for income capitalisation method include:

(1) Estimated rental/income : based on estimated income of the existing lease agreement

(2) Term rate : capitalisation rate for term of lease based on current rate of return of the properties in market

(3) Reversion rate : capitalisation rate for perpetuity based on current rate of return of the properties in market

(4) Void allowance : based on the current occupancy rate in the market according to the type and location of the properties

7. INVESTMENT PROPERTIES (CONT'D)

(b) Fair value measurement and significant judgement (Cont'd)

(iii) Fair value measurement of investment properties (Cont'd)

The comparison method analyses recent transactions and asking price of similar properties in the larger locality with applicable adjustments made for differences in location, size etc.

Under cost method, the land and the building of a property are valued separately. The value of the land is derived based on comparison method where it analyses recent transactions and asking price of similar properties. The value of the building is based on the estimated replacement cost less depreciation. The estimated replacement cost is the amount required to rebuild the entire building based on current market price for labour, materials, equipment and construction technique. The depreciation is based on the age and condition of the building to estimate the remaining useful life of the building.

The increase/(decrease) in the estimated rental income or replacement cost would result in a higher/(lower) fair value of the investment property. The higher/(lower) term rate, reversion rate, void allowance or depreciation would otherwise result in lower/(higher) fair value of the investment property.

The carrying amount of the investment properties are categorised into the fair value hierarchy as follows:

		Group	
	Note	**2020 RM'000**	**2019 RM'000**
Level 1		**-**	-
Level 2		**14,921**	14,921
Level 3	(b)(iv)	**409,651**	437,908
		424,572	452,829

(iv) Fair value reconciliation of investment properties measured at Level 3

Group	Shopping mall and supermarket premises RM'000	Other premises RM'000	Total RM'000
2020			
At the beginning of the year	**431,407**	**6,501**	**437,908**
Expenditure incurred	**14**	**-**	**14**
Loss on fair valuation	**(28,271)**	**-**	**(28,271)**
At the end of the year	**403,150**	**6,501**	**409,651**
2019			
At the beginning of the year	434,851	2,262	437,113
Expenditure incurred	1,914	-	1,914
(Loss)/Gain on fair valuation	(5,358)	4,239	(1,119)
At the end of the year	431,407	6,501	437,908

7. INVESTMENT PROPERTIES (CONT'D)

(b) Fair value measurement and significant judgement (Cont'd)

(iv) Fair value reconciliation of investment properties measured at Level 3 (Cont'd)

The investment properties measured at Level 3 are using the following significant unobservable inputs in the valuation model:

Property category	Valuation technique	Significant unobservable inputs	Group 2020	Group 2019
Shopping mall	Comparison	Adjusted property value (RM)	**664 - 665 per sqft**	710 - 809 per sqft
Supermarket premises	Income Capitalisation	Estimated rental per year (RM'000)	**575 - 635**	566 - 690
		Term rate	**5.75% - 7.00%**	5.75% - 7.00%
		Reversion rate	**7.25% - 8.00%**	7.25% - 8.00%
		Void allowances	**5.00%**	5.00%
Car park	Comparison	Adjusted car park value (RM'000)	**1 - 42 per bay**	43 - 45 per bay
Others	Cost	Land value (RM)	**25 - 35 per sqft**	25 - 35 per sqft
		Building value (RM)	**50 - 60 per sqft**	50 - 60 per sqft

(c) Other information

(i) Movement of investment properties

	Note	Group 2020 RM'000	Group 2019 RM'000
Investment properties, at fair value			
At the beginning of the year		**452,829**	451,301
Expenditure incurred	3(a),(b)	**14**	2,836
Fair valuation loss recognised in profit or loss	35	**(28,271)**	(1,308)
At the end of the year		**424,572**	452,829

7. INVESTMENT PROPERTIES (CONT'D)

(c) Other information (Cont'd)

(i) Movement of investment properties (Cont'd)

		Group	
	Note	2020 RM'000	2019 RM'000
Investment property under construction, at cost			
At the beginning of the year		**11,951**	-
Expenditure incurred	3(a),(b)	**16,937**	1,857
Reclassified from inventories#	12(b)(i),(ii)	**2,843**	10,094
At the end of the year		**31,731**	11,951
Total		**456,303**	464,780

A piece of land (2019: certain commercial units) was reclassified from inventories for the purpose of generating rental income upon completion.

During the year, a fair valuation loss of RM28.3 million (2019: RM1.3 million) is recognised in relation to investment properties of the Group as the recoverable amounts based on indicative market values are lower than the carrying amounts of the investment properties resulted by the pandemic as disclosed in Note 2.

(ii) Rental income and direct expenses

Investment properties of the Group comprise shopping mall, supermarket premises, office buildings, shop offices, commercial units, residential units and car parks. During the year, the additional costs incurred were for the existing investment properties. Rental income and direct expenses arising from investment properties during the year are as follows:

	Group	
	2020 RM'000	2019 RM'000
Rental income generating	**25,006**	32,151
Direct expenses incurred to generate the rental income	**14,567**	14,759

(iii) Other relevant information

Investment properties with a total carrying amount of RM383.2 million (2019: RM409.3 million) are pledged to licensed financial institutions [Note 24(f)] to secure Tranche 1 of MTN 3 issued and term borrowings as disclosed in Note 24(d)(i).

No restriction on realisability of investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

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8. INVESTMENTS IN SUBSIDIARIES

This note provides information about the investments in subsidiaries to generate dividend income.

		Company	
	Note	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia	(d)(i)	**1,574,900**	1,554,030
Fair value of financial guarantee	(d)(ii)	**7,991**	15,791
		1,582,891	1,569,821

(a) Recognition, measurement and significant judgement

Subsidiaries are all entities, including any structured entities, over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are recognised upon power to control in entities are established. Investments in subsidiaries are stated at cost, measured at the fair value of consideration paid, and subsequently carried at cost less accumulated impairment losses, if any.

The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment at the end of the year. The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or value-in-use of subsidiaries.

(b) Changes in Group's composition for the year ended 31 December 2020

(i) Acquisitions of additional equity interests from non-controlling interests of PJ Development Holdings Berhad ("PJDH"), a subsidiary of the Company

During the year, the Company acquired 1,584,000 ordinary shares and 8,264,200 warrants of PJDH for a total amount of RM9.0 million.

The acquisitions of additional equity interests from non-controlling interests of PJDH have the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	**(4,426)**
Gains on consolidation recognised in statement of changes in equity	**2,065**
Cash outflow on acquisitions of additional ordinary shares in PJDH	**(2,361)**

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2020 (Cont'd)

(ii) Issuance of 143,500 PJDH's ordinary shares pursuant to conversion of PJDH's Warrants C

During the year, PJDH issued 143,500 new ordinary shares for cash pursuant to the exercise of warrants at an exercise price of RM1.00 cash for the equivalent numbers by the registered holders. The effects of the new issuance of ordinary shares in PJDH are as follows:

	RM'000
Net assets upon issuance of new ordinary shares	**386**
Loss on consolidation recognised in statement of changes in equity	**(242)**
Cash inflow on exercise of warrants in PJDH	**144**

The details of the investment in warrants in a subsidiary are disclosed in Note 20(c)(i).

Arising from (i) and (ii) above, the Company's effective interest in:

- PJDH's ordinary shares increased from 96.94% to 97.22%; and
- PJDH's warrants increased from 91.99% to 97.97%.

(iii) Changes in equity interests in OSK Property Holdings Berhad ("OSKPH")

During the year, the Company acquired 2,442 ordinary shares of OSKPH amounting to RM4,396.

The acquisitions of additional equity interests from non-controlling interests of OSKPH have the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	**(6)**
Gain on consolidation recognised in statement of changes in equity	**2**
Cash outflow on acquisitions of additional ordinary shares in OSKPH	**(4)**

The Company's effective interest in OSKPH's ordinary shares remained at 99.93%.

(iv) Striking off of a dormant company

On 26 February 2020, Dikir Dagang Sdn. Bhd. ("DD") a dormant company and wholly-owned subsidiary of OSKPH, which in turn is a subsidiary of the Company, had been struck off from the register upon the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette. The striking off of DD does not have any material financial impact to the Group.

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2020 (Cont'd)

(v) Disposal of OVI Cables (Vietnam) Co., Ltd. ("OVI")

On 31 December 2019, Olympic Cable Company Sdn. Bhd. ("OCC"), a wholly-owned subsidiary of OCC Malaysia Sdn. Bhd. ("OCCM"), an indirect wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, entered into a Sale and Purchase Agreement with Sunhouse Group JSC ("Sunhouse") for the disposal of 100% Contributed Charter Capital of VND122 billion and all ownership rights and titles in OVI to Sunhouse for a total cash consideration of VND75 billion.

The disposal of OVI was duly completed on 30 June 2020. The Group recognised a gain on the disposal of OVI, including realisation of foreign currency translation gain based on a prevailing foreign currency exchange rate on 30 June 2020.

The effects on the Group's financial statements are as follows:

	Note	RM'000
Cash proceeds		13,834
Less: Expenses incurred on disposal		(508)
Net disposal proceeds		13,326
Less: Cost of investment in a subsidiary		(8,718)
Gain on deemed disposal of a subsidiary at subsidiary level, OCC		4,608
Post-acquisition reserves recognised up to the date of disposal		11,393
Realisation of write-down on investment in a subsidiary		(10,369)
		5,632
Realisation of foreign currency translation gain reclassified from reserve		2,025
Gain on disposal of a subsidiary at the Group level	33	7,657

The value of assets and liabilities of OVI as at the date of disposal on 30 June 2020 was as follows:

	RM'000
Property, plant and equipment	5,770
Right-of-use assets	533
Inventories	5,229
Trade receivables	4,849
Other assets	2,260
Cash, bank balances and short term funds	4,143
Total assets	22,784

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2020 (Cont'd)

(v) Disposal of OVI Cables (Vietnam) Co., Ltd. ("OVI") (Cont'd)

The value of assets and liabilities of OVI as at the date of disposal on 30 June 2020 was as follows: (Cont'd)

	Note	RM'000
Trade payables		(2,826)
Lease liabilities		(659)
Amounts due to related companies		(3,604)
Other liabilities		(8,001)
Total liabilities		(15,090)
Net assets		7,694
Realisation of foreign currency translation gain reclassified from reserve		(2,025)
		5,669
Gain on disposal of a subsidiary at Group level	33	7,657
Net disposal proceeds		13,326
Cash and cash equivalents of OVI		(4,143)
Total net cash inflow from disposal of a subsidiary		9,183
Balance proceeds receivable included in other receivables	16(b)(i)	(660)
Net cash inflow received from disposal of a subsidiary		8,523

(vi) Incorporation of OSK Capital (S) Pte. Ltd. ("OSKC (S)")

On 17 July 2020, the Company incorporated a wholly-owned subsidiary, OSKC (S), with an issued and paid up capital of SGD1 comprising one (1) ordinary share. The principal activity of this company is investment holding.

On 27 November 2020 and 23 December 2020, the Company subscribed for 197,193 and 4,837,105 new ordinary shares in OSKC (S). Accordingly, the issued and paid up share capital of OSKC (S) increased from SGD1 to SGD5,034,299. The equity interest in OSKC (S) remained at 100%.

(vii) Incorporation of OSK Capital (A) Pty. Ltd. ("OSKC (A)")

On 3 August 2020, OSKC (S) incorporated a wholly-owned subsidiary, OSKC (A), with an issued and paid up capital of AUD1 comprising one (1) ordinary share. The principal activity of this company is capital financing.

On 27 November 2020 and 23 December 2020, OSKC (S) subscribed for 200,000 and 4,800,000 new ordinary shares in OSKC (A). Accordingly, the issued and paid up share capital of OSKC (A) increased from AUD1 to AUD4,800,001. The equity interest in OSKC (A) remained at 100%.

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2020 (Cont'd)

(viii) Incorporation of OSK Factoring Sdn. Bhd. ("OSKF")

On 27 August 2020, the Company incorporated a wholly-owned subsidiary, OSKF, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is provision of factoring facilities.

(ix) Incorporation of OSK Syariah Capital Sdn. Bhd. ("OSKSC")

On 27 August 2020, the Company incorporated a wholly-owned subsidiary, OSKSC, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is provision of Islamic capital financing.

(x) Incorporation of OSK Rated Bond Sdn. Bhd. ("OSKRB")

On 4 September 2020, the Company incorporated a wholly-owned subsidiary, OSKRB, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is to provide treasury management services to the Group.

On 23 September 2020, the Company subscribed for 499,999 new ordinary shares of RM1 each in OSKRB. Accordingly, the issued and paid up share capital of OSKRB increased from RM1 to RM500,000. The equity interest in OSKRB remained at 100%.

(xi) Incorporation of OSK Fintech Sdn. Bhd. ("OSKFT")

On 22 October 2020, the Company incorporated a wholly-owned subsidiary, OSKFT, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is investment holding.

(xii) Incorporation of Aspect Vision Sdn. Bhd. ("AVSB")

On 15 December 2020, OSKPH, a subsidiary of the Company, incorporated a wholly-owned subsidiary, AVSB, with an issued and paid up capital of RM1 comprising (1) ordinary share. The principal activity of this company is property development.

(xiii) Incorporation of OSK Learning Academy Sdn. Bhd. ("OSK LA")

On 18 December 2020, the Company incorporated a wholly-owned subsidiary, OSK LA, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is learning academy.

(xiv) Subscription of ordinary shares in OSK Supplies Sdn. Bhd. ("OSKS")

On 19 November 2020, the Company subscribed for 2,700,000 new ordinary shares in OSKS at total cash of RM2,700,000. Accordingly, the issued and paid up ordinary share capital of OSKS increased from RM300,000 to RM3,000,000. The proceeds from capital injection were used for working capital purposes. The Company's equity interests in OSKS remained at 100%.

(xv) Incorporation of OSK RE Sdn. Bhd. ("OSK RE")

On 31 December 2020, the Company incorporated a wholly-owned subsidiary, OSK RE, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is to operate of generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Changes in Group's composition for the year ended 31 December 2019

(i) Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company

During the previous year, the Company further acquired 66,200 ordinary shares of PJDH at an average price of RM1.20 amounting to RM79,440. The acquisitions of additional equity interests from non-controlling interests of PJDH had the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	(170)
Gains on consolidation recognised in statement of changes in equity	91
Cash outflow on acquisitions of additional ordinary shares in PJDH	(79)

(ii) Issuance of 171,400 PJDH's ordinary shares pursuant to conversion of PJDH's Warrants C

During the previous year, PJDH issued 171,400 new ordinary shares for cash pursuant to the exercise of warrants at an exercise price of RM1.00 cash for the equivalent numbers by the registered holders. The effects of the new issuance of ordinary shares in PJDH were as follows:

	RM'000
Net assets upon issuance of new ordinary shares	427
Loss on consolidation recognised in statement of changes in equity	(256)
Cash inflow on exercise of warrants in PJDH	171

Arising from (i) and (ii) above, the Company's effective interest in:

- PJDH's ordinary shares decreased from 96.96% to 96.94%; and
- PJDH's warrants increased from 91.88% to 91.99%.

(iii) Acquisition of OSK Design Sdn. Bhd. ("OSKD") (f.k.a. Evolusi Esplanad Sdn. Bhd.) and OSK Building Materials Sdn. Bhd. ("OSKBM") (f.k.a. Pinggiran Prestasi Sdn. Bhd.)

On 26 June 2019, PJDH, a subsidiary of the Company, acquired 100% equity interests in OSKD and OSKBM for a total consideration of RM2.00 for each company. The issued and paid up capital of both companies were RM2.00 comprising two ordinary shares for each company.

On 15 July 2019, OSKBM changed its name to OSK Supplies Sdn. Bhd. ("OSKS").

On 19 September 2019, the Company acquired 100% equity interests in OSKD and OSKS for a total consideration of RM2.00 for each company. The acquisitions did not have any material financial impact to the Group.

On 30 September 2019, the Company subscribed for 749,998 and 299,998 new ordinary shares in OSKD and OSKS at total cash of RM749,998 and RM299,998 respectively. Accordingly, the issued and paid up ordinary share capital of OSKD and OSKS increased from RM2.00 to RM750,000 and RM300,000 respectively. These capital injections were meant for working capital purpose. The Company's equity interests in OSKD and OSKS remained at 100%.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Changes in Group's composition for the year ended 31 December 2019 (Cont'd)

(iv) Striking off of dormant companies

On 22 July 2019, Dikir Venture Sdn. Bhd. ("DV") and Perspektif Pertama Sdn. Bhd. ("PP"), both were dormant companies and wholly-owned subsidiaries of OSKPH, which in turn were subsidiaries of the Company, had been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette on 22 July 2019. The striking off of DV and PP did not have any material financial impact to the Group.

On 11 November 2019, Dikir Dagang Sdn. Bhd. ("DD"), a dormant company and wholly-owned subsidiary of OSKPH, which in turn was a subsidiary of the Company, applied to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the CA2016.

On 26 February 2020, the DD had been struck off, as disclosed in Note (b)(iv).

(d) Other information

(i) Movement of investments in subsidiaries

		Company	
	Note	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia			
Cost			
At the beginning of the year		**1,652,007**	1,660,878
Acquisition of additional equity interests from non-controlling interests	(b)(i),(iii), (c)(i)	**2,365**	79
Subscription of shares	(b)(vi), (viii) - (xi), (xiii) - (xv), (c)(iii)	**18,505**	1,050
Capital repayment from a subsidiary	(d)(iv)	**-**	(10,000)
At the end of the year		**1,672,877**	1,652,007
Accumulated impairment losses			
At the beginning/end of the year		**(97,977)**	(97,977)
		1,574,900	1,554,030
Loans to subsidiaries			
Cost			
At the beginning/end of the year		**8,391**	8,391
Accumulated impairment losses			
At the beginning/end of the year		**(8,391)**	(8,391)
		-	-
		1,574,900	1,554,030

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Other information (Cont'd)

(ii) Movement of fair value of financial guarantee

	Note	Company 2020 RM'000	Company 2019 RM'000
At the beginning of the year		**15,791**	15,791
Reversal of gain on fair valuation	35	**(7,800)**	-
At the end of the year		**7,991**	15,791

(iii) Shares pledged as security

Shares in certain subsidiaries with a total carrying amount of RM1.3 billion (2019: RM1.3 billion) are pledged to a licensed financial institution [Note 24(f)] to secure the medium term notes (MTN 1) [Note 24(b)] and Tranche 3 of Sukuk 1 [Note 24(c)(iii)] issued by the Company and its subsidiary respectively.

(iv) Capital repayment by a subsidiary

On 24 December 2019, KE-ZAN Holdings Berhad ("KHB"), a wholly-owned subsidiary, repaid RM10.0 million out of its capital to the Company.

(e) Subsidiaries with non-controlling interests

Subsidiaries that have non-controlling interests to the Group are set out below:

	OSKPH Group RM'000	PJDH Group RM'000	Total RM'000
2020			
Proportion of ownership interest held by non-controlling interests	**0.07%**	**2.78%**	
Accumulated non-controlling interests	**28,284**	**41,102**	**69,386**
Profit attributable to non-controlling interests	**556**	**3,118**	**3,674**
Dividend paid to non-controlling interests of OSKPH/PJDH	**-**	**-**	**-**
2019			
Proportion of ownership interest held by non-controlling interests	0.07%	3.06%	
Accumulated non-controlling interests	27,766	46,220	73,986
Profit attributable to non-controlling interests	1,843	4,813	6,656
Dividend paid to non-controlling interests of OSKPH/PJDH	-	-	-

The above information is presented based on the financial statements of subsidiary groups before accounting for (i) fair value adjustments upon both entities being acquired; and (ii) elimination inter-company transactions.

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Subsidiaries with non-controlling interests (Cont'd)

Summarised financial information of the subsidiaries which have non-controlling interests are set out below:

	2020		2019	
	OSKPH Group RM'000	PJDH Group RM'000	OSKPH Group RM'000	PJDH Group RM'000
Aggregated assets and liabilities (100%)				
Current assets	**458,824**	**921,469**	493,470	973,767
Non-current assets	**1,407,995**	**1,211,410**	1,238,402	1,229,116
Total assets	**1,866,819**	**2,132,879**	1,731,872	2,202,883
Current liabilities	**(1,010,178)**	**(541,816)**	(906,309)	(580,467)
Non-current liabilities	**(200,374)**	**(157,227)**	(172,668)	(242,939)
Total liabilities	**(1,210,552)**	**(699,043)**	(1,078,977)	(823,406)
Net assets	**656,267**	**1,433,836**	652,895	1,379,477
Aggregated results (100%)				
Revenue	**307,948**	**712,750**	204,057	1,006,782
Profit for the year	**50,065**	**107,111**	53,623	135,749
Other comprehensive income/(expenses)	**-**	**25,810**	-	(7,745)
Total comprehensive income	**50,065**	**132,921**	53,623	128,004
Profit/(loss) attributable to:				
- owners of OSKPH/PJDH	**49,519**	**107,175**	51,808	135,363
- non-controlling interests of OSKPH/PJDH	**546**	**(64)**	1,815	386
	50,065	**107,111**	53,623	135,749
Total comprehensive income/(expenses) attributable to:				
- owners of OSKPH/PJDH	**49,519**	**132,985**	51,808	127,618
- non-controlling interests of OSKPH/PJDH	**546**	**(64)**	1,815	386
	50,065	**132,921**	53,623	128,004
Aggregated cash flows (100%)				
Net cash generated from/(used in):				
- operating activities	**76,330**	**201,452**	(25,363)	384,174
- investing activities	**(86,338)**	**52,246**	(38,584)	35,915
- financing activities	**3,401**	**(182,234)**	77,313	(291,843)
Net (decrease)/increase in cash and cash equivalents	**(6,607)**	**71,464**	13,366	128,246

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise.

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
KE-ZAN Holdings Berhad	Property investment and letting of commercial properties	**100.00**	100.00
OSK Capital Sdn. Bhd.	Capital financing business	**100.00**	100.00
OSK Capital Management Sdn. Bhd.	Provision of treasury management services	**100.00**	100.00
^ OSK Capital (S) Pte. Ltd. - Singapore	Investment holding	**100.00 (b)(vi)**	-
Subsidiary of OSK Capital (S) Pte. Ltd.			
^ OSK Capital (A) Pty. Ltd. - Australia	Capital financing business	**100.00 (b)(vii)**	-
OSK Design Sdn. Bhd.	Interior design and fit out	**100.00**	100.00 (c)(iii)
^ OSK Factoring Sdn. Bhd.	Provision of factoring facilities	**100.00 (b)(viii)**	-
^ OSK Fintech Sdn. Bhd.	Investment holding	**100.00 (b)(xi)**	-
OSK I CM Sdn. Bhd.	Provision of treasury management services	**100.00**	100.00
^ OSK Learning Academy Sdn. Bhd.	Learning academy	**100.00 (b)(xiii)**	-
OSK Management Services Sdn. Bhd.	Provision of management services	**100.00**	100.00
OSK Property Holdings Berhad	Investment holding	**99.93 (b)(iii)**	99.93
^ OSK RE Sdn. Bhd.	Operation of generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services	**100.00 (b)(xv)**	-

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

		Effective proportion of ownership interest	
Name of companies	**Principal activities**	**2020 %**	**2019 %**
^ OSK Rated Bond Sdn. Bhd.	Provision of treasury management services	**100.00 (b)(x)**	-
OSK Realty Sdn. Bhd.	Property investment and letting of commercial properties	**100.00**	100.00
OSK Supplies Sdn. Bhd.	Trading of building materials, construction machineries, equipment and vehicles	**100.00 (b)(xiv)**	100.00 (c)(iii)
^ OSK Syariah Capital Sdn. Bhd.	Provision of Islamic capital financing	**100.00 (b)(ix)**	-
PJ Development Holdings Berhad	Investment holding, property investment and provision of management services	**97.22 (b)(i)**	96.94 (c)(i)
Subsidiaries of OSK Property Holdings Berhad			
Aspect Potential Sdn. Bhd.	Property development	**99.93**	99.93
Aspect Synergy Sdn. Bhd.	Property development	**99.93**	99.93
^ Aspect Vision Sdn. Bhd.	Property development	**99.93 (b)(xii)**	-
Atria Damansara Sdn. Bhd.	Property investment and development	**99.93**	99.93
Atria Parking Management Sdn. Bhd.	Car park management and operations	**99.93**	99.93
Atria Shopping Gallery Sdn. Bhd.	Mall management and operations	**99.93**	99.93
Country Wheels Sdn. Bhd.	Property development	**50.97**	50.97
# Dikir Dagang Sdn. Bhd.	Property development	**- (b)(iv)**	99.93 (c)(iv)
@ Dikir Venture Sdn. Bhd.	Property development	**-**	- (c)(iv)

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THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of OSK Property Holdings Berhad (Cont'd)			
Jelang Vista Sdn. Bhd.	Property development	**99.93**	99.93
L26 Tower Sdn. Bhd.	Property development	**99.93**	99.93
OSK Properties Sdn. Bhd.	Property development, investment and sale of oil palm fresh fruit bunches	**99.93**	99.93
OSK Properties Management Sdn. Bhd.	Property management	**99.93**	99.93
OSK Properties (Seremban) Sdn. Bhd.	Property development	**99.93**	99.93
OSKP Facilities Management Sdn. Bhd.	Property management	**99.93**	99.93
@ Perspektif Pertama Sdn. Bhd.	Property development	**-**	- (c)(iv)
Perspektif Vista Sdn. Bhd.	Property development	**99.93**	99.93
Pine Avenue Sdn. Bhd.	Property development	**99.93**	99.93
Potensi Rajawali Sdn. Bhd.	Property development	**99.93**	99.93
Ribuan Ekuiti Sdn. Bhd.	Property development	**99.93**	99.93
Rimulia Sdn. Bhd.	Property development	**54.96**	54.96
Semponia Sdn. Bhd.	Property development	**50.97**	50.97
Warisan Rajawali Sdn. Bhd.	Property development	**99.93**	99.93
Wawasan Rajawali Sdn. Bhd.	Property development	**99.93**	99.93

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of PJ Development Holdings Berhad			
Aco Built System Sdn. Bhd.	Installation of concrete wall panels	**97.22**	96.94
Acotec Sdn. Bhd.	Manufacturing and sale of concrete wall panels and trading of building materials	**97.22**	96.94
Subsidiaries of Acotec Sdn. Bhd.			
Acotec-Concrete Products Sdn. Bhd.	Property investment and rental services	**97.22**	96.94
PJD Concrete Land (JB) Sdn. Bhd.	Property investment	**97.22**	96.94
PJD Concrete Land (South) Sdn. Bhd.	Property investment	**97.22**	96.94
Ancient Capital Sdn. Bhd.	Retail management and operations	**97.22**	96.94
Bindev Sdn. Bhd.	Property development	**97.22**	96.94
Bunga Development Sdn. Bhd.	Property development	**97.22**	96.94
Subsidiary of Bunga Development Sdn. Bhd.			
Kulai Management Services Sdn. Bhd.	Provision of property management services	**97.22**	96.94
DLHA Management Services Sdn. Bhd.	Investment holding	**97.22**	96.94
Eframe Sdn. Bhd.	Software consultancy, product development and maintenance	**97.22**	96.94
Eframe Solutions Sdn. Bhd.	Software consultancy, product development and maintenance	**97.22**	96.94

NOTES TO
THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
Harbour Place Management Services Sdn. Bhd.	Provision of property management services	**97.22**	96.94
HTR Management Services Sdn. Bhd.	Provision of property management services	**97.22**	96.94
Kota Mulia Sdn. Bhd.	Property development and investment	**97.22**	96.94
Subsidiaries of Kota Mulia Sdn. Bhd.			
PJD Highland Resort Sdn. Bhd.	Property development	**97.22**	96.94
PTC Management Services Sdn. Bhd.	Provision of property management services	**97.22**	96.94
OCC Cables Berhad	Investment holding	**97.22**	96.94
Subsidiary of OCC Cables Berhad			
PJ Exim Sdn. Bhd.	Trading of cable products	**97.22**	96.94
OSK Construction Sdn. Bhd.	Construction	**97.22**	96.94
Subsidiary of OSK Construction Sdn. Bhd.			
PJDC International Sdn. Bhd.	Investment holding	**97.22**	96.94

NOTES TO
THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
OSK Industries Limited - Cayman Islands	Investment holding	**97.22**	96.94
Subsidiary of OSK Industries Limited			
OCC Cables Limited - Cayman Islands	Investment holding	**97.22**	96.94
Subsidiary of OCC Cables Limited			
OCC Malaysia Sdn. Bhd.	Investment holding	**97.22**	96.94
Subsidiary of OCC Malaysia Sdn. Bhd.			
Olympic Cable Company Sdn. Bhd.	Manufacturing and sale of cables and wires	**97.22**	96.94
Subsidiary of Olympic Cable Company Sdn. Bhd.			
* OVI Cables (Vietnam) Co., Ltd. - Vietnam	Manufacturing and sale of cables and wires	**- (b)(v)**	96.94
Olympic Properties Sdn. Bhd.	Property investment	**97.22**	96.94
* Pengerang Jaya Pte. Ltd. - Singapore	Investment holding	**97.22**	96.94
Subsidiary of Pengerang Jaya Pte. Ltd.			
P.J. (A) Pty. Limited - Australia	Investment holding and hotel business	**97.22**	96.94

NOTES TO
THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
PJ Equity Sdn. Bhd.	Investment holding	**97.22**	96.94
PJD Central Sdn. Bhd.	Property development and investment	**97.22**	96.94
PJD Eastern Land Sdn. Bhd.	Property development and investment	**97.22**	96.94
PJD Hartamas Sdn. Bhd.	Property development and investment	**97.22**	96.94
PJD Hotels Sdn. Bhd.	Investment holding and hotel and restaurant business	**97.22**	96.94
Subsidiaries of PJD Hotels Sdn. Bhd.			
Damai Laut Golf Resort Sdn. Bhd.	Development and investment in resort property, hotel and restaurant business and operation of golf course	**96.62**	96.34
MM Hotels Sdn. Bhd.	Hotel and restaurant business	**97.22**	96.94
Swiss-Garden Management Services Sdn. Bhd.	Hotel and restaurant business	**97.22**	96.94
PJD Land Sdn. Bhd.	Leasing of office cum commercial building	**97.22**	96.94
PJD Landmarks Sdn. Bhd.	Property development	**97.22**	96.94
PJD Management Services Sdn. Bhd.	Provision of property management and facilities services and all aspect of the hotel and restaurant business	**97.22**	96.94
PJD Pravest Sdn. Bhd.	Cultivation of oil palm	**97.22**	96.94
PJD Properties Management Sdn. Bhd.	Provision of project management services	**97.22**	96.94
PJD Realty Sdn. Bhd.	Property development	**97.22**	96.94
PJD Regency Sdn. Bhd.	Property development	**97.22**	96.94

NOTES TO
THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
PJD Sejahtera Sdn. Bhd.	Property development	**97.22**	96.94
PKM Management Services Sdn. Bhd.	Provision of property management services	**97.22**	96.94
Putri Kulai Sdn. Bhd.	Property investment	**97.22**	96.94
SGI Vacation Club Berhad	Operation and management of timeshare membership scheme	**97.22**	96.94
Superville Sdn. Bhd.	Property investment	**97.22**	96.94
Swiss-Garden Hotel Management Sdn. Bhd.	Hotel management and consultancy services	**97.22**	96.94
Swiss-Garden International Sdn. Bhd.	Hotel management and consultancy services	**97.22**	96.94
Subsidiary of Swiss-Garden International Sdn. Bhd.			
Swiss-Garden International Limited - British Virgin Islands	Hotel management and consultancy services	**97.22**	96.94
Swiss-Garden Rewards Sdn. Bhd.	Marketing of timeshare memberships	**97.22**	96.94
Swiss-Inn JB Sdn. Bhd.	Hotel and restaurant business	**97.22**	96.94
Vibrant Practice Sdn. Bhd.	Car park management and operations	**97.22**	96.94

^ These subsidiaries were consolidated based on their management accounts for the period ended 31 December 2020. The financial statements of these subsidiaries are not required to be audited as they are newly incorporated during the year.
# Deregistered and dissolved during the year.
@ Deregistered and dissolved in previous year.
* Audited by BDO PLT member firms.

The financial statements of all subsidiaries used in consolidation are prepared as of 31 December.

NOTES TO
THE FINANCIAL STATEMENTS
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9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

This note provides information for investments accounted for using equity method of accounting and these investments generate dividend income at the Company and account for the share of results at the Group.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Investments in associates					
Quoted shares in Malaysia		**2,209,705**	2,209,705	**2,209,705**	2,209,705
Unquoted shares in Malaysia		**91,832**	91,832	**-**	-
Unquoted shares outside Malaysia		**469,544**	469,544	**-**	-
Foreign currency translation differences		**(28,175)**	(56,821)	**-**	-
		2,742,906	2,714,260	**2,209,705**	2,209,705
Share of reserves, net of dividends received		**1,135,533**	963,392	**-**	-
	(d)	**3,878,439**	3,677,652	**2,209,705**	2,209,705
Investment in a joint venture					
Unquoted shares in Malaysia		**10,918**	10,918	**-**	-
Share of reserves		**(8,529)**	(7,369)	**-**	-
	(e)	**2,389**	3,549	**-**	-
Total		**3,880,828**	3,681,201	**2,209,705**	2,209,705
Market value for investment in an associate					
Quoted shares in Malaysia		**2,213,635**	2,347,671	**2,213,635**	2,347,671
Carrying amount analysed by business segments:					
Property		**635,400**	552,649		
Financial Services & Investment Holding		**3,245,428**	3,128,552		
		3,880,828	3,681,201		

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(a) Recognition, measurement and significant judgement

Investments in associates and a joint venture are accounted for using the equity method of accounting. Such investments are recognised upon significant influence being established. These investments are initially at acquisition cost which is measured at the fair value of the consideration paid and subsequently carried at cost less accumulated impairment loss, if any. The Group's carrying amount of such investments includes cost of investment, share of reserves of the investees after the date of acquisitions and goodwill identified upon acquisitions. Dividend received as return from investees is recognised as a reduction in the carrying amount of the investments.

The management has assessed the level of influence that the Company has on its associate, RHB Bank Berhad ("RHBB"), and determined that it has significant influence even though the shareholding is below 20% because of the board representations in RHBB and its key operating subsidiaries and their participation in the strategic directions and decision making process. The Group has significant influence on Agile PJD Development Sdn. Bhd. ("Agile"), Equity & Property Investment Corporation Pty. Limited ("EPIC") and Yarra Park City Pty. Ltd. ("YPC") because of the board representations in the associates and the effective proportion of ownership in interests are disclosed in Note (f).

The Group determines at the end of the year whether there is any objective evidence that the investments in the associates and a joint venture are impaired. The carrying amount of each investment is tested for impairment in accordance with MFRS 136 'Impairment of Assets' as a single asset, by comparing its recoverable amount with its carrying amount. Based on the impairment test carried out on the investments by using the discounted cash flow projection, the value-in-use derived from the discounted cash flow projection is in excess of the carrying amount.

(b) Shares pledged as security

(i) A portion of the shares in an associate of the Company has been pledged to the licensed financial institutions to secure medium term notes issued by a subsidiary [Notes 24(c)(i) and 24(d)(ii)]. As at 31 December 2020, the Group's and the Company's carrying amount of such pledged shares stood at RM2.6 billion (2019: RM1.7 billion) and RM1.8 billion (2019: RM1.2 billion) [Note 24(f)], respectively.

There were no contingent liabilities relating to the Group's interests in the associate.

(ii) Shares in an associate of the Group has been pledged to financial institutions to secure borrowings of the associate for the property development in Australia. As at 31 December 2020, the Group's carrying amount of such pledged shares stood at RM449.8 million (2019: RM372.6 million).

(c) Dividend income

The Company recorded dividends from RHBB of RM115.8 million (2019: RM103.6 million) including a dividend of RM40.6 million receivable as at 31 December 2020 [Note 16(b)(i)] which was received on 9 February 2021. In the previous year, the Company received a final distribution of RM3.5 million from RHB Capital Berhad (In Members' Voluntary Liquidation).

There were no restrictions on ability of associates and a joint venture to transfer funds to the Group and the Company in the form of cash dividends or to repay loans or advances made by the Group and the Company.

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(d) Information on investments in associates

The reconciliation of net assets to the carrying amount of investments in associates is as follows:

	RHBB RM'000	YPC RM'000	Agile RM'000	EPIC RM'000	Total RM'000
2020					
Proportion of ownership interests in associates	**10.13%**	**41.74% #**	**30.00% #**	**27.40% #**	
Share of net assets	**2,997,543**	**380,425**	**109,974**	**95,858**	**3,583,800**
Goodwill	**247,885**	**69,378**	**-**	**-**	**317,263**
Effect of indirect interests in an associate	**-**	**-**	**-**	**(22,349)**	**(22,349)**
Unrealised profit	**-**	**-**	**(275)**	**-**	**(275)**
Carrying amounts	**3,245,428**	**449,803**	**109,699**	**73,509**	**3,878,439**
2019					
Proportion of ownership interests in associates	10.13%	41.74% #	30.00% #	27.40% #	
Share of net assets	2,880,965	303,183	110,768	89,913	3,384,829
Goodwill	247,587	69,378	-	-	316,965
Effect of indirect interests in an associate	-	-	-	(22,349)	(22,349)
Unrealised profit	-	-	(1,793)	-	(1,793)
Carrying amounts	3,128,552	372,561	108,975	67,564	3,677,652

For the above reconciliation purpose, the percentages of ownership interests in associates represent the proportion of equity interests in these associates held by PJDH, a 97.22% (2019: 96.94%) owned subsidiary of the Company. The effective proportion of ownership interest of the associates and a joint venture is disclosed in Note (f) hereinafter.

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(d) Information on investments in associates (Cont'd)

Summarised financial information of the material associates is as follows:

	RHBB RM'000	YPC RM'000	Agile RM'000	EPIC RM'000
2020				
Aggregated assets and liabilities of the associates (100%)				
Current assets^	-	1,228,553	509,921	49,326
Non-current assets^	-	418,883	61	317,676
Total assets	273,784,630	1,647,436	509,982	367,002
Current liabilities^	-	(701,576)	(143,402)	(2,130)
Non-current liabilities^	-	(34,519)	-	(15,020)
Total liabilities	(244,159,179)	(736,095)	(143,402)	(17,150)
Net assets	29,625,451	911,341	366,580	349,852
Net assets attributable to:				
- owners of the associates	29,592,722	911,341	366,580	349,852
- non-controlling interests of the associate	32,729	-	-	-
	29,625,451	911,341	366,580	349,852
Aggregated results (100%)				
Revenue	7,280,919	1,039,360	75,851	6,654
Profit/(Loss) for the year attributable to:				
- owners of the associates	1,935,002	128,374	(2,647)	5,517
- non-controlling interests of the associate	6,622	-	-	-
	1,941,624	128,374	(2,647)	5,517
Other comprehensive income/(expenses) attributable to:				
- owners of the associates	358,774	56,666	-	16,180
- non-controlling interests of the associate	(33)	-	-	-
	358,741	56,666	-	16,180
Total comprehensive income/(expenses)	2,300,365	185,040	(2,647)	21,697
Net assets attributable to the owners of the associates				
At the beginning of the year	28,441,810	726,301	369,227	328,155
Profit/(Loss) for the year	1,935,002	128,374	(2,647)	5,517
Other comprehensive income	358,774	56,666	-	16,180
Other reserves changes	(1,142,864)	-	-	-
At the end of the year	29,592,722	911,341	366,580	349,852

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(d) Information on investments in associates (Cont'd)

Summarised financial information of the material associates is as follows: (Cont'd)

	RHBB RM'000	YPC RM'000	Agile RM'000	EPIC RM'000
2019				
Aggregated assets and liabilities of the associates (100%)				
Current assets^	-	1,133,391	638,921	56,930
Non-current assets^	-	781,657	421	284,195
Total assets	260,374,076	1,915,048	639,342	341,125
Current liabilities^	-	(371,937)	(270,115)	(2,427)
Non-current liabilities^	-	(816,810)	-	(10,543)
Total liabilities	(231,896,851)	(1,188,747)	(270,115)	(12,970)
Net assets	28,477,225	726,301	369,227	328,155
Net assets attributable to:				
- owners of the associates	28,441,810	726,301	369,227	328,155
- non-controlling interests of the associate	35,415	-	-	-
	28,477,225	726,301	369,227	328,155
Aggregated results (100%)				
Revenue	7,100,770	-	603,235	7,327
Profit/(Loss) for the year attributable to:				
- owners of the associates	2,310,639	(8,858)	99,377	14,414
- non-controlling interests of the associate	5,377	-	-	-
	2,316,016	(8,858)	99,377	14,414
Other comprehensive income/ (expenses) attributable to:				
- owners of the associates	960,595	(14,570)	-	(4,297)
- non-controlling interests of the associate	34	-	-	-
	960,629	(14,570)	-	(4,297)
Total comprehensive income/(expenses)	3,276,645	(23,428)	99,377	10,117
Net assets attributable to the owners of the associates				
At the beginning of the year	26,196,198	749,729	269,850	318,038
Effects of adoption of MFRS 16	(3,058)	-	-	-
As restated	26,193,140	749,729	269,850	318,038
Profit/(Loss) for the year	2,310,639	(8,858)	99,377	14,414
Other comprehensive income/ (expenses)	960,595	(14,570)	-	(4,297)
Other reserves changes	(1,022,564)	-	-	-
At the end of the year	28,441,810	726,301	369,227	328,155

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(d) Information on investments in associates (Cont'd)

Summarised financial information of the material associates is as follows: (Cont'd)

^ Breakdown of current assets/liabilities and non-current assets/liabilities of RHBB are not available as the financial institution has to comply with Bank Negara Malaysia guidelines on presentation and disclosures where non-current and current categories are not required.

The above information is presented based on the financial statements of the associates after accounting for fair value adjustments made upon acquisitions.

(e) Information on investment in a joint venture, Scotia Acres Sdn. Bhd. ("SA")

The reconciliation of net assets to carrying amount of the joint venture is as follows:

	2020	2019
Proportion of ownership interest in a joint venture (%)	**50.00**	50.00
Share of net assets/Carrying amount (RM'000)	**2,389**	3,549

Summarised financial information of the joint venture is as follows:

	2020 RM'000	2019 RM'000
Aggregated assets and liabilities of the joint venture (100%)		
Current assets	**1,404**	4,490
Non-current assets	**86,752**	87,272
Total assets	**88,156**	91,762
Current liabilities	**(20,278)**	(20,310)
Non-current liabilities	**(63,099)**	(64,355)
Total liabilities	**(83,377)**	(84,665)
Net assets	**4,779**	7,097
Aggregated results (100%)		
Revenue	**14,829**	15,603
Loss for the year/Other comprehensive expenses attributable to:		
- owners of the joint venture	**(2,318)**	(1,841)
- non-controlling interests of the joint venture	**-**	-
Total comprehensive expenses	**(2,318)**	(1,841)

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THE FINANCIAL STATEMENTS
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9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(e) Information on investment in a joint venture, Scotia Acres Sdn. Bhd. ("SA") (Cont'd)

Summarised financial information of the joint venture is as follows: (Cont'd)

	2020 RM'000	2019 RM'000
Net assets attributable to the owners of the joint venture		
At the beginning of the year	**7,097**	8,938
Loss for the year	**(2,318)**	(1,841)
At the end of the year	**4,779**	7,097

The above information presented is based on the financial statements of the joint venture with adjustments for differences in accounting policies between the Group and the joint venture.

(f) List of associates and a joint venture

Listed below are the associates and a joint venture with their principal activities. The principal place of business of the associates and a joint venture are in Malaysia and/or incorporated in Malaysia unless indicated otherwise.

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Associates of the Company			
* RHB Bank Berhad	Commercial banking and finance related business and the provision of related services whilst its subsidiaries are involved in Islamic banking, investment banking, stock broking, leasing, offshore banking, offshore trust services, property investment, general insurance, unit trust management, asset management and nominee and custodian services	**10.13**	10.13
^ RHB Capital Berhad	Investment holding (dormant)	**-**	10.13

9. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(f) List of associates and a joint venture (Cont'd)

Listed below are the associates and a joint venture with their principal activities. The principal place of business of the associates and a joint venture are in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest 2020 %	2019 %
Associates of PJDH			
Agile PJD Development Sdn. Bhd.	Property development and investment	**29.17** @	29.08
Equity & Property Investment Corporation Pty. Limited - Australia	Property investment and development	**26.64** @	26.56
* Yarra Park City Pty. Ltd. - Australia	Property development and investment	**40.58** @	40.47
Joint venture of PJDH			
Scotia Acres Sdn. Bhd.	Property development and investment	**48.61** @	48.47
Subsidiary of Scotia Acres Sdn. Bhd.			
Canggih Pesaka Sdn. Bhd.	Property investment	**48.61** @	48.47

* Audited by firms of auditors other than BDO PLT in Malaysia and BDO member firms.

^ Liquidated during the year.

@ The Group's effective equity interests increased due to the changes of interest in PJDH as disclosed in Notes 8(b)(i) and 8(b)(ii). The Company has 97.22% (2019: 96.94%) equity interest in PJDH, which in turn holds 30% equity interest in Agile, 27.40% equity interest in EPIC, 41.74% equity interest in YPC and 50% equity interest in SA. Therefore, the Group's effective equity interest in Agile, EPIC, YPC and SA are 29.17% (2019: 29.08%), 26.64% (2019: 26.56%), 40.58% (2019: 40.47%) and 48.61% (2019: 48.47%) respectively.

The financial statements of the associates and a joint venture used in applying the equity method are prepared as of 31 December except for EPIC which prepared its financial statements as of 30 June. For applying the equity method of accounting, the management financial statements of EPIC for financial period ended 31 December have been used.

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10. INTANGIBLE ASSETS

This note provides information about the software licences, club membership and trademarks that classified as intangible assets.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Software licences	(b)	**575**	695	**105**	133
Club membership		**350**	350	**-**	-
Trademarks		**160**	160	**160**	160
		1,085	1,205	**265**	293
Carrying amount analysed by business segments:					
Property		**236**	364		
Financial Services & Investment Holding		**849**	841		
		1,085	1,205		

(a) Recognition, measurement and significant judgement

Intangible assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Group and the Company.

Software licences, club membership and trademarks are stated at cost less any accumulated amortisation and accumulated impairment losses, if any. Software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 6 to 7 years. The estimated useful life represents common life expectancy applied in the industry within which the Group and the Company operate. Club membership and trademarks are not amortised.

(b) Software licences

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cost					
At the beginning of the year		**2,897**	2,787	**197**	183
Additions	3(a),3(b)	**151**	110	**-**	14
At the end of the year		**3,048**	2,897	**197**	197
Accumulated amortisation					
At the beginning of the year		**2,202**	1,836	**64**	37
Amortisation		**271**	366	**28**	27
At the end of the year		**2,473**	2,202	**92**	64
Net carrying amount		**575**	695	**105**	133
Amortisation recognised in profit or loss and classified under:					
- Cost of sales	32(b)	**2**	4	**-**	-
- Administrative expenses	34	**269**	362	**28**	27
		271	366	**28**	27

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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

This note provides information for leases where the Group or the Company as a lessee. The leases where the Group is a lessor are disclosed in Note 41(a).

During the year, the Group and the Company had early adopted Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions as disclosed in Note 46(b).

The Group and the Company have entered into various lease contracts which include space for sales gallery, offices, factory etc. based on business requirements. Lease contracts are typically made for fixed periods.

The right-of-use assets and lease liabilities are summarised below:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Right-of-use assets					
Leasehold land	(b)(i)	**48,947**	49,393	**-**	-
Lease of premises and office space	(b)(ii)	**27,742**	29,441	**3,211**	1,629
Lease of equipment	(b)(iii)	**26**	52	**-**	-
		76,715	78,886	**3,211**	1,629
Lease liabilities					
Non-current		**13,719**	20,801	**1,652**	551
Current		**14,879**	8,894	**1,619**	1,153
	(c),4, 5(b)(ii), 24(h)(ii)	**28,598**	29,695	**3,271**	1,704

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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

Carrying amount analysed by business segments:

	Group	
	2020 RM'000	**2019 RM'000**
Right-of-use assets		
Property	**28,788**	29,763
Construction	**1,118**	1,167
Industries	**4,560**	4,657
Hospitality	**5,725**	6,630
Financial Services & Investment Holding	**36,524**	36,669
	76,715	78,886
Lease liabilities		
Property	**27,947**	28,232
Construction	**-**	37
Industries	**21**	42
Hospitality	**630**	1,384
	28,598	29,695

(a) Recognition, measurement and significant judgement

Lease contracts contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group and the Company are lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Group and the Company apply the "short-term leases" and "lease of low-value assets" exemptions. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are office equipment with value of RM20,000 and below.

(i) Right-of-use assets

Right-of-use assets are recognised when it is probable that the future economic benefits will flow to the Group and the Company. These assets are initially measured at cost at the lease commencement date which comprises the initial measurement of the lease liability, any advance lease payments made, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset to the condition required.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less accumulated depreciation, accumulated impairment losses and remeasurement of lease liabilities, if any.

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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Right-of-use assets (Cont'd)

Depreciation is calculated on a straight-line basis to write off the cost of each asset from the commencement date to the earlier of the estimated useful life or the end of the lease term. The estimated useful life is described in Note 6(a) and the lease terms are as follows:

	Years	Percentage(%)
Leasehold land	40 - 98	1 - 3
Lease of premises and office space	1.5 - 3	33 - 67
Lease of equipment	3	33

For the purpose of impairment assessment, the recoverable amount of the right-of-use assets is determined based on a "value-in-use" of CGU.

The value-in-use of the CGU is determined by discounting the cash flow projections for remaining useful life of the right-of-use assets. The Group adopts significant judgement in making these estimates on future results and key assumptions applied to cash flow projections of the CGU. The key assumptions used in the value-in-use calculations were probability weighted based on the following scenarios:

	Best case	Base case	Worst case
Weighting	10%	60%	30%
Average annual revenue growth rates	39%	37%	35%
Average gross profit margins	40%	34%	32%
Pre-tax discount rate	5.5%	5.5%	5.5%

Impairment assessment on right-of-use assets of certain subsidiaries was carried out based on "value-in-use" of CGU by using the above key assumptions. The recoverable amounts of right-of-use assets were higher than their carrying amounts and therefore no impairment loss were required.

(ii) Lease liabilities

Lease liabilities are financial liabilities which are classified as amortised cost liabilities. Lease liabilities are recognised when the financial obligation of lease contract arises. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Group's incremental borrowing rates will be used if that rate cannot be readily determined.

The lease payments included in the measurement of the lease liability comprise the followings, if applicable:
- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the option is reasonably certain to be exercised; and
- penalty for early termination.

Subsequent to the initial recognition, lease liabilities are measured at amortised cost as described in Note 24(a)(ii).

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) Movement of right-of-use assets

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(i) Leasehold land					
Cost					
At the beginning of the year		**59,504**	-	**-**	-
Reclassified from property, plant and equipment upon adoption of MFRS 16	6(b)(i)	**-**	60,526	**-**	-
Additions	3(a),(b)	**-**	699	**-**	-
Foreign currency translation differences		**-**	(17)	**-**	-
Reclassified to disposal group held for sale	23	**-**	(1,704)	**-**	-
At the end of the year		**59,504**	59,504	**-**	-
Accumulated depreciation					
At the beginning of the year		**10,111**	-	**-**	-
Reclassified from property, plant and equipment upon adoption of MFRS 16	6(b)(i)	**-**	10,108	**-**	-
Depreciation	34	**446**	480	**-**	-
Foreign currency translation differences		**-**	(5)	**-**	-
Reclassified to disposal group held for sale	23	**-**	(472)	**-**	-
At the end of the year		**10,557**	10,111	**-**	-
Net carrying amount		**48,947**	49,393	**-**	-

Leasehold land with a total carrying amount of RM0.4 million (2019: RM0.4 million) are pledged as security [Note 24(f)] for borrowings granted to a subsidiary.

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THE FINANCIAL STATEMENTS
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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) Movement of right-of-use assets (Cont'd)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(ii) Lease of premises and office space					
Cost					
At the beginning of the year		**32,851**	-	**3,281**	-
Effects of adoption of MFRS 16		**-**	1,287	**-**	3,281
Additions		**12,497**	32,209	**3,264**	-
Reassessments and modifications of leases		**(899)**	(31)	**(1,520)**	-
Reclassified to disposal group held for sale	23	**-**	(614)	**-**	-
At the end of the year		**44,449**	32,851	**5,025**	3,281
Accumulated depreciation					
At the beginning of the year		**3,410**	-	**1,652**	-
Depreciation	32(b), 34	**14,161**	3,463	**1,682**	1,652
Reassessments and modifications of leases		**(864)**	(12)	**(1,520)**	-
Reclassified to disposal group held for sale	23	**-**	(41)	**-**	-
At the end of the year		**16,707**	3,410	**1,814**	1,652
Net carrying amount		**27,742**	29,441	**3,211**	1,629

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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) Movement of right-of-use assets (Cont'd)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(iii) Lease of equipment					
Cost					
At the beginning of the year		**56**	-	**-**	-
Effects of adoption of MFRS 16		**-**	33	**-**	-
Additions		**-**	23	**-**	-
Reassessments and modifications of leases		**(23)**	-	**-**	-
At the end of the year		**33**	56	**-**	-
Accumulated depreciation					
At the beginning of the year		**4**	-	**-**	-
Depreciation	32(b), 34	**5**	4	**-**	-
Reassessments and modifications of leases		**(2)**	-	**-**	-
At the end of the year		**7**	4	**-**	-
Net carrying amount		**26**	52	**-**	-
Amounts recognised in profit or loss and classified under:					
Depreciation of right-of-use assets					
- Cost of sales	32(b)	**79**	101	**-**	-
- Administrative expenses	34	**14,533**	3,846	**1,682**	1,652
		14,612	3,947	**1,682**	1,652

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THE FINANCIAL STATEMENTS
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11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(c) Movement of lease liabilities

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
At the beginning of the year		**29,695**	-	**1,704**	-
Effects of adoption of MFRS 16		**-**	1,459	**-**	3,360
Additions		**12,497**	32,231	**3,264**	-
Interest charged		**1,994**	567	**115**	136
Rental concession received	33	**(7)**	-	**-**	-
Reassessments and modifications of leases		**(55)**	(19)	**-**	-
Payment of:					
- principal		**(13,532)**	(3,283)	**(1,697)**	(1,656)
- interest		**(1,994)**	(567)	**(115)**	(136)
	24(h)(ii)	**(15,526)**	(3,850)	**(1,812)**	(1,792)
Reclassified to disposal group held for sale	23	**-**	(693)	**-**	-
At the end of the year	24(h)(ii)	**28,598**	29,695	**3,271**	1,704
Amounts recognised in profit or loss and classified under:					
Rental concession received	33	**7**	-	**-**	-
Interest expense on lease liabilities					
- Cost of sales	32(b)	**-**	5	**-**	-
- Finance costs	36	**1,994**	562	**115**	136
		2,001	567	**115**	136

(d) Other information

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(i) The total rental recognised in profit or loss is as follows:				
Expenses relating to short-term leases				
- Cost of sales	**402**	3,258	**-**	-
- Administrative expenses	**1,398**	952	**-**	86
Expenses relating to lease of low-value assets				
- Cost of sales	**273**	329	**-**	-
- Administrative expenses	**92**	81	**-**	-

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(d) Other information (Cont'd)

(ii) Liquidity risk of the lease liabilities is disclosed in Note 5(a).

(iii) The weighted average incremental borrowing rate of the lease liabilities of the Group and the Company ranging from 3.64% to 5.15% (2019: 3.80% to 5.15%) and 3.78% (2019: 5.20%) respectively.

12. INVENTORIES

This note provides information about the inventories held by the Group which consist of property land bank, stocks for on-going and completed projects, manufacturing stocks under Olympic-Cables and Acotec-IBS, and hotel consumables.

		Group	
	Note	2020 RM'000	2019 RM'000
Non-current			
Land held for property development	(b)(i)	**1,355,068**	1,198,764
Current			
Property development expenditure	(b)(ii)	**184,368**	280,475
Completed properties held for sale	(b)(iii)	**23,630**	29,943
Manufacturing stocks	(b)(iv)	**43,292**	43,280
Hotels and resorts consumables	(b)(v)	**760**	1,431
Total current		**252,050**	355,129
Total		**1,607,118**	1,553,893
Carrying amount analysed by business segments:			
Property		**1,563,066**	1,509,182
Industries		**43,292**	43,280
Hospitality		**760**	1,431
		1,607,118	1,553,893

12. INVENTORIES (CONT'D)

(a) Recognition, measurement and significant judgement

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is measured at lower of cost and net realisable value. Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development expenditure at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development expenditure

Property development expenditure not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

Property development expenditure comprises all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development expenditure comprises the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development revenue and costs are recognised in profit or loss by reference to the progress towards complete satisfaction of that performance obligation at the reporting period, generally known as percentage of completion. It is measured based on direct measurements of the value transferred to the purchasers and the inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:
- the completeness and accuracy of the budgets; and
- the extent of the costs incurred.

Substantial changes in cost estimates can have a significant effect on the profitability in future periods. In making the above judgement, it relies on past experience and work of specialists.

(iii) Completed properties held for sale

Completed properties held for sale are measured at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the purchaser.

(iv) Manufacturing stocks; and hotels and resorts consumables

Manufacturing stocks; and hotels and resorts consumables are determined using a weighted average cost basis and measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

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12. INVENTORIES (CONT'D)

(b) Other information

		Note	Group 2020 RM'000	Group 2019 RM'000
(i)	**Land held for property development**			
	Freehold and leasehold land			
	At the beginning of the year		**992,430**	1,014,244
	Costs incurred		**27,014**	6,605
	Purchase of lands		**146,000**	-
	Reclassified to investment properties	7(c)(i)	**(1,889)**	-
	Reclassified to property development expenditure	(b)(ii)	**(47,681)**	(28,419)
	At the end of the year		**1,115,874**	992,430
	Development expenditure			
	At the beginning of the year		**206,334**	160,195
	Costs incurred		**52,081**	66,291
	Reclassified to investment properties	7(c)(i)	**(954)**	-
	Reclassified to property development expenditure	(b)(ii)	**(18,267)**	(20,152)
	At the end of the year		**239,194**	206,334
	Total non-current		**1,355,068**	1,198,764

Included in land held for property development is an amount of RM19.2 million (2019: RM21.6 million) (Note 36) representing interest capitalised during the year which was calculated based on interest rates ranging from 3.12% to 4.73% (2019: 4.71% to 4.96%).

Included in land held for property development are the following carrying amounts that are pledged as security to secure credit facilities as disclosed in Note 24(f).

	Note	Group 2020 RM'000	Group 2019 RM'000
Tranche 2 of Sukuk 1	24(c)(ii)	**130,823**	127,141
Term and bridging borrowings		**246,142**	245,160
	24(f)	**376,965**	372,301

During the year, a piece of development land of a subsidiary with a carrying amount of RM2.8 million was reclassified to investment property for the purpose of generating rental income upon completion.

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12. INVENTORIES (CONT'D)

(b) Other information (Cont'd)

	Note	Group 2020 RM'000	Group 2019 RM'000
(ii) Property development expenditure			
Freehold and leasehold land			
At the beginning of the year		**277,900**	252,403
Costs incurred		**794**	577
Reclassified from land held for property development	(b)(i)	**47,681**	28,419
Reclassified to completed properties held for sale		**(665)**	(11)
Reclassified to investment properties	7(c)(i)	**-**	(3,027)
Reversal of development expenditure for completed projects		**(61,491)**	(461)
At the end of the year		**264,219**	277,900
Development expenditure			
At the beginning of the year		**1,076,097**	901,077
Costs incurred		**325,421**	374,324
Reclassified from land held for property development	(b)(i)	**18,267**	20,152
Reclassified to completed properties held for sale		**(15,442)**	(1,155)
Reclassified to investment properties	7(c)(i)	**-**	(7,067)
Reversal of development expenditure for completed projects		**(1,181,040)**	(211,234)
At the end of the year		**223,303**	1,076,097
Total property development expenditure incurred		**487,522**	1,353,997
Costs recognised in profit or loss			
At the beginning of the year		**(1,073,522)**	(801,943)
Recognised in profit or loss	32	**(472,163)**	(483,274)
Reversal of costs arising from completed projects		**1,242,531**	211,695
At the end of the year		**(303,154)**	(1,073,522)
Net carrying amount of property development expenditure		**184,368**	280,475

Included in property development expenditure is an amount of RM4.3 million (2019: RM8.4 million) (Note 36) representing interest capitalised during the year which was calculated based on interest rates ranging from 3.36% to 4.90% (2019: 4.49% to 5.31%).

Included in property development land is an amount of RM102.1 million (2019: RM228.9 million) that are pledged as security [Note 24(f)] to secure for term borrowings.

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12. INVENTORIES (CONT'D)

(b) Other information (Cont'd)

(ii) Property development expenditure (Cont'd)

In the previous year, certain commercial units of a subsidiary with a carrying amount of RM10.1 million was reclassified to investment property for the purpose of generating rental income upon completion.

		Note	Group 2020 RM'000	Group 2019 RM'000
(iii)	**Completed properties held for sale**			
	At cost		**22,990**	25,787
	At net realisable value		**640**	4,156
			23,630	29,943
(iv)	**Manufacturing stocks**			
	At cost			
	- Consumables		**377**	203
	- Finished goods		**8,564**	27,871
	- Raw materials		**8,575**	7,081
	- Work-in-progress		**10,582**	10,164
			28,098	45,319
	Reclassified to disposal group held for sale	23	**-**	(4,755)
			28,098	40,564
	At net realisable value			
	- Finished goods		**14,121**	2,634
	- Raw materials		**1,073**	413
			15,194	3,047
	Reclassified to disposal group held for sale	23	**-**	(331)
			15,194	2,716
	Net carrying amount of manufacturing stocks		**43,292**	43,280
(v)	**Hotels and resorts consumables, at cost**		**760**	1,431

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13. DEFERRED TAX ASSETS/(LIABILITIES)

This note provides information for deferred tax accounted by the Group and the Company.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred tax assets	(b)(i)	**68,134**	93,891	**707**	739
Deferred tax liabilities	(b)(ii)	**(109,014)**	(115,546)	**-**	-
Carrying amount analysed by business segments:					
Deferred tax assets					
Property		**41,563**	65,712		
Construction		**719**	1,213		
Hospitality		**23,226**	24,523		
Financial Services & Investment Holding		**2,626**	2,443		
		68,134	93,891		
Deferred tax liabilities					
Property		**(87,167)**	(92,764)		
Construction		**(26)**	(23)		
Industries		**(7,867)**	(8,903)		
Hospitality		**(7,134)**	(7,961)		
Financial Services & Investment Holding		**(6,820)**	(5,895)		
		(109,014)	(115,546)		

(a) Recognition and measurement

Deferred tax is accounted for using the liability method on temporary differences at the reporting period between the tax based value and carrying amount.

Deferred tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rate (and tax laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that could be recognised based on the likely timing and extent of future taxable profits together with future tax planning.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets and liabilities and when those income taxes are levied by the same tax authority on the same taxable company.

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13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The components and movements of deferred tax assets and liabilities:

(i) Deferred tax assets

	As at 1.1.2019 RM'000	Deferred tax recognised in profit or loss for 2019 (Note 37) RM'000	As at 31.12.2019/ 1.1.2020 RM'000	Deferred tax recognised in profit or loss for 2020 (Note 37) RM'000	As at 31.12.2020 RM'000
Group					
Excess of depreciation over capital allowances	731	105	**836**	**(355)**	**481**
Fair value on:					
- investment properties	3,518	(127)	**3,391**	**(3,391)**	**-**
- inventories	9,996	(4,713)	**5,283**	**(2,217)**	**3,066**
Interest capitalised in inventories	20,284	7,588	**27,872**	**(15,220)**	**12,652**
Unused tax losses and unabsorbed capital allowances	21,610	4,392	**26,002**	**(20,104)**	**5,898**
Deferred income	32,058	(4,247)	**27,811**	**(849)**	**26,962**
Provisions	28,200	195	**28,395**	**(993)**	**27,402**
Total deferred tax assets	116,397	3,193	**119,590**	**(43,129)**	**76,461**
Offset	(28,685)	2,986	**(25,699)**	**17,372**	**(8,327)**
Net deferred tax assets	87,712	6,179	**93,891**	**(25,757)**	**68,134**
Company					
Provisions	1,007	(208)	**799**	**(26)**	**773**
Total deferred tax assets	1,007	(208)	**799**	**(26)**	**773**
Offset	(49)	(11)	**(60)**	**(6)**	**(66)**
Net deferred tax assets	958	(219)	**739**	**(32)**	**707**

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13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The components and movements of deferred tax assets and liabilities: (Cont'd)

(ii) Deferred tax liabilities

	As at 1.1.2019 RM'000	Deferred tax recognised in profit or loss for 2019 (Note 37) RM'000	As at 31.12.2019/ 1.1.2020 RM'000	Deferred tax recognised in profit or loss for 2020 (Note 37) RM'000	As at 31.12.2020 RM'000
Group					
Excess of capital allowances over depreciation	(42,989)	(438)	**(43,427)**	**16,077**	**(27,350)**
Fair value on:					
- investment properties	(10,644)	(233)	**(10,877)**	**2,350**	**(8,527)**
- inventories	(88,174)	7,606	**(80,568)**	**5,477**	**(75,091)**
- share of net assets of the associates	(6,373)	-	**(6,373)**	**-**	**(6,373)**
Total deferred tax liabilities	(148,180)	6,935	**(141,245)**	**23,904**	**(117,341)**
Offset	28,685	(2,986)	**25,699**	**(17,372)**	**8,327**
Net deferred tax liabilities	(119,495)	3,949	**(115,546)**	**6,532**	**(109,014)**
Company					
Excess of capital allowances over depreciation	(49)	(11)	**(60)**	**(6)**	**(66)**
Total deferred tax liabilities	(49)	(11)	**(60)**	**(6)**	**(66)**
Offset	49	11	**60**	**6**	**66**
Net deferred tax liabilities	-	-	**-**	**-**	**-**

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13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(c) Other information

The temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2020 RM'000	2019 RM'000
Deductible temporary differences	**76,287**	120,840
Taxable temporary differences	**(200,701)**	(163,886)
Unused tax losses	**157,169**	116,825
Unutilised capital allowances	**300,171**	272,197
	332,926	345,976

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised. The amount and the availability of these items to be carried forward are subject to the agreement of the relevant tax authorities.

The unused tax losses analysed by expiry year of assessment:

	Group	
	2020 RM'000	2019 RM'000
Year of assessment 2025	**86,371**	86,804
Year of assessment 2026	**30,020**	30,021
Year of assessment 2027	**40,778**	-
	157,169	116,825

In Malaysia, any unused tax losses shall be deductible for a maximum period of seven consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of seven years of assessment shall be disregarded.

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14. CAPITAL FINANCING

This note provides information about the outstanding balances of loan portfolio together with the impairment assessment.

		Group	
	Note	2020 RM'000	2019 RM'000
Non-current			
Term financing		**247,978**	182,629
Current			
Term financing		**575,102**	594,719
Allowances for impairment losses:			
- Individual assessment	(b)(i)	**(162)**	(162)
Total current		**574,940**	594,557
Total	5(b)(ii)	**822,918**	777,186

The carrying amount is classified under the Financial Services and Investment Holding segment.

(a) Recognition, measurement and significant judgement

Capital financing are financial assets with fixed or determinable collections (repayment) by clients and are classified as amortised cost assets. Capital financing are recognised when disbursement of loans to clients for generating interest and fee income. Capital financing are recognised initially at their fair values equivalent to the financed amounts plus any directly attributable transaction fees; and such capital financing portfolio is interest bearing. Capital financing are subsequently measured at amortised cost as described in Note (a)(vi) below. Interest income [Note 31(b)(ii)], allowance for impairment losses [Note 35(i)], and any gain or loss arising from derecognition of capital financing are recognised in profit or loss.

(i) Credit risk management practices

The capital financing subsidiary's credit risk management practices and related recognition and measurement of its expected credit losses are summarised as follows:

In determining whether the credit risk of a capital financing has increased significantly since initial recognition, the capital financing subsidiary observes ageing of 90 days past due, collateral values, clients' financial standing and compares the risk of a default occurring on the capital financing at the end of the reporting period with the risk of a default occurring on the capital financing at the date of such capital financing is initially recognised. In making this assessment, the capital financing subsidiary considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

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14. CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

The capital financing are considered to have low credit risk at the end of the reporting period when the fair value of collateral held exceeded the outstanding amount.

The main types of collateral obtained by the capital financing subsidiary to mitigate the credit risk of capital financing are pledges over quoted shares, charges over properties including land, ownership claims over assets financed and guarantees. The capital financing subsidiary adopts the policy of obtaining sufficient collateral and monitors the fair value of collateral by observing the market trends, the collateral value continually being updated based on the changes in market value.

In relation to the rebuttable presumption, the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The capital financing subsidiary deals in loan and financing to its clients, unlike in trading and services activities which payment terms normally include a lump sum payment for goods and/or services, while capital financing involves a stream of payments via repayment schedule and process of monitoring clients' repayment behaviour would normally take longer than 30 days.

A capital financing is considered as default when it is non-performing. Non-performing refers when a capital financing is unable to serve the interest and/or repay principal within the time granted or allowed.

The capital financing subsidiary adopts the 'general approach' under MFRS 9 in providing the expected credit loss. The 'general approach' is described in Note (a)(vii) below.

A capital financing is considered credit-impaired when there is one or more events that have detrimental impact on the recoverable amounts based on the future cash flows of capital financing that can be reliably estimated.

The capital financing subsidiary writes off an outstanding capital financing from its books only when all avenues of recovery have been exhausted and there is no recoverable expectation of such loan in the foreseeable future. For capital financing that are written off, the Group's internal legal unit still follows up enforcement activities.

For determining that there is objective evidence of credit-impaired capital financing, the capital financing subsidiary uses the following inputs and assumptions for the lifetime expected credit losses and increase in credit risk significantly since initial recognition:

- Significant financial difficulty of the borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- Disappearance of an active market for and deterioration of collateral held; or
- Observable current and forward-looking data indicating that there is a measurable decrease in the estimated future cash flows from the borrower since initial recognition, including:
    (i) adverse changes in the payment status of the borrower; and
    (ii) national or local economic conditions that correlate with the borrower.

During the year, no significant modifications of contractual cash flows of capital financing have been applied.

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THE FINANCIAL STATEMENTS
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14. CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

The capital financing subsidiary reviews expected credit losses at each reporting period to assess the reasonableness of the assumptions in relation to the risk of default and expected loss rates. In assessing impairment of a capital financing, the capital financing subsidiary has based on historical behaviour including past five years monthly data of each capital financing from the end of reporting date as an assumption for possibility of default. In addition, the capital financing subsidiary observes current market condition in relation to each capital financing's exposure and related collateral risk exposure.

For incorporation of forward-looking information into the determination of expected credit losses, the capital financing subsidiary uses general macroeconomic such as projected gross domestic product ("GDP"), lending interest rate, unemployment rate and inflation rate of Malaysia as a broad guidance of credit. In addition, the capital financing subsidiary also observes industry specific factors in determining expected credit loss such as information about share market including investable counter, collateral nature, property market and its marketability etc.

Based on the historical data and the forward-looking information stated above, capital financing uses probability of default and loss given default methodology to assess expected credit loss.

There were no significant changes in the estimation techniques or assumptions made during the year.

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment

	Group			
	2020		2019	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**777,186**	**162**	565,974	811
Originate	**216,305**	**-**	379,846	-
Derecognise	**(170,573)**	**-**	(168,634)	(87)
Write off	**-**	**-**	-	(562)
At the end of the year	**822,918**	**162**	777,186	162

There were no contractual amounts outstanding written off during the year which are still subject to enforcement activities.

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THE FINANCIAL STATEMENTS
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14. CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iii) Credit risk exposure

The Group assesses credit quality of a capital financing client using the following internal classified grades:

(1) "Grade A" refers to performing capital financing with collateral value higher than the gross outstanding amount. The collateral obtained is sufficient to settle in whole of the indebtedness of customer in the event of default.

(2) "Grade B" refers to performing capital financing with collateral value lower than the gross outstanding amount. The collateral obtained is able to be used to settle in part of the indebtedness of the customer in the event of default.

	Collective assessment		Individual	
	Grade A RM'000	Grade B RM'000	assessment RM'000	Total RM'000
2020				
Gross carrying amount/ Maximum exposure	**822,918**	**-**	**162**	**823,080**
Collateral value held	**3,406,893**	**-**	**2,400**	**3,409,293**
Expected loss provision	**-**	**-**	**162**	**162**
Loan commitments undrawn	**164,758**	**-**	**-**	**164,758**
Expected loss rate	**0.0%**	**-**	**100.0%**	**0.0%**
2019				
Gross carrying amount/ Maximum exposure	777,186	-	162	777,348
Collateral value held	3,064,297	-	2,400	3,066,697
Expected loss provision	-	-	162	162
Loan commitments undrawn	64,446	-	-	64,446
Expected loss rate	0.0%	-	100.0%	0.0%

At the end of the year, the five largest capital financing accounted for RM252.6 million or 31% (2019: RM253.2 million or 33%) of the net capital financing portfolio, representing the subsidiary's significant concentration of credit risks. These credit risks are mitigated by having collateral values in excess of outstanding amounts due from capital financing clients.

14. CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iv) Collateral and other credit enhancements obtained

The capital financing subsidiary takes possession of collaterals that are held as security and calls on other credit enhancements against capital financing when loans become defaults. There were no force selling of collateral during the year. The repossessed collateral are recognised as assets and are sold as soon as practicable. As at 31 December 2020, there are no unsold repossessed collaterals.

(v) Significant estimates and judgements

The impairment allowances for capital financing are based on assumptions about the risk of default and expected credit loss rates. The capital financing subsidiary adopts judgement in making these assumptions and selecting inputs for computing such impairment allowances, broadly based on the capital financing subsidiary's clients' past history, existing market conditions as well as forward-looking information without undue cost at end of the year.

(vi) Financial assets measured at amortised cost and effective interest method

Amortised cost of a financial asset is the amount measured at initial recognition and adjusted for subsequent recognition of interest income using the effective interest method of any difference between that initial amount and the maturity amount, minus repayments and any impairment/credit losses.

Effective interest rate is the rate that discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of a financial asset. Gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. Effective interest method is the method that is used in the calculation of the amortised cost of a financial asset and in the allocation and recognition of the interest income in profit or loss over the relevant period.

Therefore, carrying amount of the financial asset is a reasonable approximation of its fair value.

(vii) Impairment assessment - 'General Approach' under MFRS 9

The 'general approach' under MFRS 9 using the forward-looking expected credit loss model which includes a three-stage impairment model based on changes in credit quality since initial recognition. Assets move through the three-stage as quality changes and the stages dictate how the Group measures impairment losses at each reporting date. Impairment losses will be reversed if the credit quality improves. In respect of the receivables where credit risk has not increased significantly since initial recognition of the financial assets, the 12-month expected credit losses are recognised. Otherwise, lifetime expected credit losses are recognised. For credit impaired receivables, lifetime expected credit losses are recognised on a net basis.

In making this assessment, the Group considers both quantitative and qualitative information that are reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort. The probability of default and loss given default methodology have been used to assess the expected credit loss and the Group requires to exercise significant judgement in determining the probability of default of the receivables, appropriate forward-looking information and significant increase in credit risk since inception of such receivable.

14. CAPITAL FINANCING (CONT'D)

(b) Other information

(i) The movement of allowances for impairment losses measured at an amount equals to lifetime expected credit losses are as follows:

		Group	
	Note	2020 RM'000	2019 RM'000
Individual assessment			
At the beginning of the year		**162**	811
Write back of allowance	33	**-**	(87)
Write off of allowance		**-**	(562)
At the end of the year		**162**	162

(ii) Ageing analysis of capital financing is as follows:

	Group	
	2020 RM'000	2019 RM'000
Current	**822,886**	777,186
1 to 30 days (past due)	**32**	-
	822,918	777,186

(iii) The capital financing portfolio is denominated in RM and charged a fixed interest rate at weighted average interest rate of 8.70% (2019: 9.06%) per annum. The normal credit term for capital financing ranged from 2 to 48 months (2019: 2 to 48 months) from the date of financing.

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15. TRADE RECEIVABLES

This note provides information about the outstanding balances of the Group's trade receivables together with the impairment assessment.

	Note	Group 2020 RM'000	Group 2019 RM'000
Non-current			
Property development receivables		**8,312**	22,156
Vacation membership fee receivables		**633**	3,924
Total non-current		**8,945**	26,080
Current			
Property development receivables		**127,136**	181,443
Lease receivables		**7,679**	3,679
Construction receivables		**1,514**	1,829
Industries receivables		**65,582**	65,076
Hotels receivables		**1,049**	1,301
Vacation membership fee receivables		**6,494**	7,780
Others		**16,226**	3,749
		225,680	264,857
Reclassified to disposal group held for sale			
- Industries receivables	23	**-**	(4,635)
		225,680	260,222
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(3,136)**	(1,417)
- Individual assessment	(b)(i)	**(11,845)**	(4,272)
Total current		**210,699**	254,533
Total	5(b)(ii)	**219,644**	280,613
Carrying amount analysed by business segments:			
Property		**136,849**	206,760
Construction		**1,514**	1,829
Industries		**57,255**	55,345
Hospitality		**7,904**	12,930
Financial Services & Investment Holding		**16,122**	3,749
		219,644	280,613

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15. TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement

Trade receivables are financial assets with fixed or determinable collections (repayments) by receivables and are classified as amortised cost assets. These trade receivables are recognised upon issuance of billing to customers. Trade receivables are recognised initially at their fair value of goods and services provided based on invoice amounts and are subsequently measured at amortised cost as described in Note 14(a)(vi). Revenue (Note 31), allowance for impairment losses [Note 35(i)] and any gain or loss arising from derecognition of trade receivables are recognised in profit or loss.

(i) Credit risk management practices

The trade receivables consist of receivables arising from businesses such as Property Development, Property Investment, Construction, Olympic-Cables, Acotec-IBS, Swiss-Garden Hotels and Resorts; and SGI Vacation Club.

Business units assess whether credit risk of a customer has increased significantly since initial recognition via observation of certain criteria including ageing of 30 to 150 days past due, collateral values where applicable, latest customer financial standing and compare the risk of a default occurring on the portfolio as at the end of the year with the risk of a default occurring on the portfolio as at the date when such customer is initially recognised. In making this assessment, the business units consider both quantitative and qualitative information that are reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

In relation to the rebuttable presumption, the credit risk on a financial asset has increased significantly since initial recognition in each of their businesses when contractual payments are more than 30 days past due. The business units of the Group study clients' repayment behaviour compared with the industries norm and the supply chain cycle for those industries normally take longer than 30 days.

A receivable is considered as default when such customer did not perform their obligation to make payment within the period granted or allowed.

The Group adopts 'simplified approach' under MFRS 9 in providing for the expected credit loss which includes a single-stage lifetime expected credit loss. Receivables are assessed individually for impairment loss at each reporting period end. The Group also assesses expected credit losses on a collective basis of receivables, who are not being impaired individually, and such receivables are grouped on the following factors for monitoring:

- Business activities: Property Development, Property Investment, Construction, Olympic-Cables, Acotec-IBS, Swiss-Garden Hotels and Resorts; and SGI Vacation Club businesses are each assessed in separate groups;
- Products or services: different types of products are each assessed in separate groups;
- Receivables ageing status;
- Nature, size and industry of receivables;
- Collaterals provided by the receivables; and
- External/Internal credit ratings where applicable.

Trade receivables are credit-impaired when there is one or more events that have a detrimental impact on the recoverable amounts based on the future cash flows of the receivable that can be reliably estimated.

15. TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

The Group writes off a receivable from its books only when all avenues of recovery have been exhausted and there is no recoverable expectation of such receivable in the foreseeable future. For the receivables that are written off, the Group still follows up enforcement activities by the internal legal unit.

For determining that there is objective evidence of credit impaired trade receivables, the Group uses the following inputs and assumptions for lifetime expected credit losses and increase in credit risk significantly since initial recognition:

- Significant financial difficulty of the customer;
- A breach of contract, such as a default of payment; or
- Observation of current and forward-looking data indicating that there is a measurable decrease in the estimated future cash flows from the customer since initial recognition, including:
  (i) adverse changes in the payment status of the customer; and
  (ii) national or local economic conditions that correlate with the customer.

Business units review expected credit losses at each reporting period to assess the reasonableness of the assumptions in relation to risk of default and expected loss rates. In assessing impairment of a receivable, business units have derived the assumption for possibility of default based on historical behaviour including past five years monthly data of each customer from the end of the reporting date. In addition, business units observe current market condition in relation to each customer's exposure and related collateral risk exposure.

For incorporating forward-looking information into the determination of expected credit losses, the business units use general macroeconomic such as projected GDP, lending interest rate, unemployment rate, manufacturing production, industrial production, housing price index and inflation rate as a broad guidance of credit and applying experienced credit judgement. In addition, the business units also observe industry specific factors in determining expected credit loss such as information about collateral nature, property market and its marketability etc.

Based on the historical data and the forward-looking information stated above, business units use probability of default and loss given default methodology to assess lifetime expected credit loss.

There were no significant changes in the estimation techniques or assumptions made during the year.

15. TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment

	Group			
	2020		2019	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**282,030**	**4,272**	282,570	4,859
Originate	**949,236**	**9,038**	1,271,469	1,904
Derecognise	**(1,008,486)**	**(1,287)**	(1,272,009)	(2,412)
Write off	**-**	**(178)**	-	(79)
At the end of the year	**222,780**	**11,845**	282,030	4,272

There were no modifications of contractual cash flows on trade receivables during the year.

There were no contractual amounts outstanding written off during the year which are still subject to enforcement activities.

(iii) Credit risk exposure

The Group assesses credit quality of trade receivables using ageing of past due days for the lifetime impairment of the trade receivables as follows:

	Expected loss rate %	Gross carrying amount/ Maximum exposure RM'000	Collateral value held RM'000	Expected loss provision RM'000
2020				
Current	**0.6**	**188,512**	**2,734**	**1,083**
Past due:				
1 to 30 days	**7.4**	**16,607**	**729**	**1,233**
31 to 60 days	**7.1**	**5,946**	**191**	**423**
61 to 90 days	**12.0**	**7,732**	**451**	**929**
More than 90 days	**71.5**	**15,828**	**1,746**	**11,313**
		234,625	**5,851**	**14,981**

15. TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iii) Credit risk exposure (Cont'd)

The Group assesses credit quality of trade receivables using ageing of past due days for the lifetime impairment of the trade receivables as follows: (Cont'd)

	Expected loss rate %	Gross carrying amount/ Maximum exposure RM'000	Collateral value held RM'000	Expected loss provision RM'000
2019				
Current	0.1	224,379	1,397	183
Past due:				
1 to 30 days	1.2	18,166	709	215
31 to 60 days	1.4	12,773	223	181
61 to 90 days	2.0	10,929	112	223
More than 90 days	24.4	20,055	1,193	4,887
		286,302	3,634	5,689

(iv) Significant estimates and judgements

Impairment allowances for the trade receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data and the existing market conditions including forward-looking estimates at end of the reporting period.

Significant increase in expected credit loss during the year arose from revised forward-looking information used in the calculation of probabilities of default of trade receivables of the Group as a result of the pandemic as disclosed in Note 2.

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15. TRADE RECEIVABLES (CONT'D)

(b) Other information

(i) Movement of allowances for impairment losses:

	Note	Group 2020 RM'000	Group 2019 RM'000
Collective assessment			
At the beginning of the year		**1,417**	1,117
Allowance made	35	**1,721**	328
Write back of allowance	33	**(2)**	(28)
At the end of the year		**3,136**	1,417
Individual assessment			
At the beginning of the year		**4,272**	4,859
Allowance made	35	**9,038**	1,904
Write back of allowance	33	**(1,287)**	(2,412)
Write off of allowance		**(178)**	(79)
At the end of the year		**11,845**	4,272
Total collective and individual impairment losses		**14,981**	5,689

There were no significant concentration of credit risks at the end of the year.

(ii) Trade receivables are generally non-interest bearing unless overdue and the normal credit periods granted by the Group range from 7 to 90 days (2019: 7 to 90 days).

(iii) Currency exposure profile of the trade receivables is disclosed in Note 5(b)(ii).

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16. OTHER ASSETS

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Deposits	5(b)(ii)	**1,420**	882	**-**	-
Current					
Other receivables	(b)(i)	**62,821**	17,154	**41,562**	272
Deposits	(b)(iii)	**29,242**	60,609	**407**	398
Allowance for impairment	(b)(ii)	**(6,485)**	(4,042)	**-**	-
	5(b)(ii)	**85,578**	73,721	**41,969**	670
Prepayments		**3,418**	7,247	**208**	291
		88,996	80,968	**42,177**	961
Reclassified to disposal group held for sale					
- Other receivables	5(b)(ii), 23	**-**	(1,520)	**-**	-
- Prepayments	23	**-**	(210)	**-**	-
Total current		**88,996**	79,238	**42,177**	961
Total		**90,416**	80,120	**42,177**	961
Carrying amount analysed by business segments:					
Property		**36,340**	67,392		
Construction		**2,262**	2,686		
Industries		**4,525**	1,452		
Hospitality		**3,817**	6,572		
Financial Services & Investment Holding		**43,472**	2,018		
		90,416	80,120		

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16. OTHER ASSETS (CONT'D)

(a) Recognition, measurement and significant judgement

Other receivables excluding prepayments are financial assets with fixed or determinable payments and classified as amortised cost assets. Other assets are recognised initially at fair value equivalent to the amounts of goods and services provided. Subsequent to the initial recognition, such assets are measured at amortised cost as described in Note 14(a)(vi). Gains or losses including impairment are recognised in profit or loss.

The Group adopts the 'general approach' under MFRS 9 in providing for expected credit loss. The 'general approach' is described in Note 14(a)(vii).

The Group and the Company assess whether credit risk of a receivable has increased significantly since initial recognition via observation of certain criteria including ageing of 90 days past due, nature of the transaction and compare the risk of a default occurring on the receivable as at the end of the year with the risk of a default occurring on the receivable as at the date when such receivable is initially recognised. In making this assessment, the business units consider both quantitative and qualitative information that are reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

Significant increase in expected credit loss during the year arose from revised forward-looking information used in the calculation of probabilities of default of other receivables of the Group as a result of the pandemic as disclosed in Note 2.

(b) Other information

(i) Included in the other receivables are: (i) RM40.6 million dividend receivable from RHBB as disclosed in Note 9(c) of which the sum was received on 9 February 2021; and (ii) remaining disposal proceeds of RM0.7 million receivable from the disposal of a subsidiary as disclosed in Note 8(b)(v).

(ii) Movement of allowance for impairment losses:

		Group	
	Note	2020 RM'000	2019 RM'000
Individual assessment			
At the beginning of the year		**4,042**	3,464
Allowance made	35	**2,848**	785
Write back of allowance	33	**(405)**	(160)
Write off of allowance		**-**	(47)
At the end of the year		**6,485**	4,042

(iii) Included in the deposits is an amount of RM16.1 million (2019: RM42.3 million) paid for the acquisition of land held for property development activities.

(iv) Other receivables were non-interest bearing and the normal credit periods granted by the Group range from 30 to 90 days (2019: 30 to 90 days).

(v) Currency exposure profile of the other assets excluding prepayments is disclosed in Note 5(b)(ii).

17. CONTRACT ASSETS

This note provides information about the contract assets that represent the Group's rights to consideration for goods sold and services rendered to the customers prior to recognition as trade receivables.

		Group	
	Note	2020 RM'000	2019 RM'000
Contract assets in relation to:			
- property development activities	(b)(i)	**163,871**	127,212
- construction contracts	(b)(ii)	**87**	2,530
		163,958	129,742
Carrying amount analysed by business segments:			
Property		**163,871**	127,212
Construction		**87**	2,530
		163,958	129,742

(a) Recognition, measurement and significant judgement

Contract assets are the rights to considerations, the fair values at initial recognition, for goods or services transferred to the customers. Such contract assets will be reclassified to trade receivables upon transferring promised goods or services to customers. For property development activities, contract assets (accrued billings to be billed to purchasers) are the excess of cumulative revenue recognised over the progress billings to purchasers. For construction contracts, contract assets are recognised when construction costs incurred plus profit accrued exceed progress billings to customers. Revenue is measured at the transaction price based on a contract with a purchaser/customer.

Contract assets are transferred to trade receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the purchaser/customer.

For determining the transaction price of the contract, the Group assumed that the goods or services will be transferred to the purchaser/customer as promised in accordance with the existing contract and that contract will not be amended, renewed or modified.

The Group adopts 'simplified approach' under MFRS 9 in providing for the expected credit losses which include the single-stage lifetime expected credit loss. Such impairment assessment is similar to the principles as disclosed in Note 15(a)(i) in relation to trade receivables. No expected credit loss is recognised arising from contract assets as it was negligible.

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17. CONTRACT ASSETS (CONT'D)

(b) Other information

(i) Contract assets and liabilities in relation to property development activities:

	Note	Group 2020 RM'000	Group 2019 RM'000
At the beginning of the year		**116,757**	268,048
Net progress revenue recognised in profit or loss	31	**633,320**	682,703
Sale of completed properties recognised in profit or loss		**28,734**	-
Progress billings issued		**(631,612)**	(833,994)
At the end of the year		**147,199**	116,757
Carrying amount at the end of the year are analysed as follows:			
- Contract assets		**163,871**	127,212
- Contract liabilities	27	**(16,672)**	(10,455)
		147,199	116,757

The amounts included in contract liabilities at the beginning of the financial year has been recognised as revenue are as follows:

	Group 2020 RM'000	Group 2019 RM'000
Contract liabilities recognised as revenue	**8,696**	2,482

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17. CONTRACT ASSETS (CONT'D)

(b) Other information (Cont'd)

(ii) Contract assets and liabilities in relation to construction contracts:

		Group	
	Note	2020 RM'000	2019 RM'000
At the beginning of the year		**(9,590)**	3,534
Cost incurred and profit accrued		**6,123**	(12,583)
Progress billings issued and recognised as revenue	31	**-**	(541)
At the end of the year		**(3,467)**	(9,590)
At the end of the year			
- Contract assets		**87**	2,530
- Contract liabilities	27	**(3,554)**	(12,120)
		(3,467)	(9,590)

Included in the above are: (a) depreciation of property, plant and equipment of RM2.0 million (2019: RM2.2 million) [Note 6(b)(iii)]; and (b) property, plant and equipment written off of RM157,000 (2019: Nil) [Note 6(b)(iv)].

(iii) Transaction price allocated to the remaining performance obligations

Aggregate amount of the transaction price allocated to the property development and construction contracts that are fully or partially to be fulfilled (unsatisfied) and expected to be recognised as revenue in the future are as follows:

	Group			
	2020		2019	
	RM'000	%	RM'000	%
Within 1 year	**369,307**	**66%**	407,431	57%
1 to 4 years	**193,356**	**34%**	308,610	43%
	562,663		716,041	

Contract assets and liabilities under property development activities and construction contracts of the Group are denominated in RM. The above contract assets and liabilities are not impacted by any significant changes in the contract terms.

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18. BIOLOGICAL ASSETS

	Note	Group 2020 RM'000	Group 2019 RM'000
Fresh fruit bunches	(c)	**54**	251

The carrying amount is classified under Financial Services and Investment Holding segment which includes other insignificant business divisions.

(a) Recognition, measurement and significant judgement

Biological assets of the Group comprise oil palm fresh fruit bunches ("FFB") prior to harvest. Biological assets are measured at their fair values. For valuation of biological assets, the Group considers present value of the net cash flows forecast to be generated from the sale of FFB less costs to sell which include harvesting costs and transport expenses.

(b) Fair value measurement

Pursuant to MFRS 13 'Fair Value Measurement', the Group establishes a fair value hierarchy that was categorised into three levels of inputs to valuation techniques which were used to measure fair value as disclosed in Note 7(b)(ii). The fair value measurement of the biological assets was categorised within Level 3 of the fair value hierarchy, using valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data for the asset. If the FFB selling price changes by 10%, profit or loss for the Group would have equally increased or decreased by approximately RM4,000 (2019: RM22,000) respectively.

During the year, there were no transfers between all three levels of the fair values hierarchy for the biological assets.

The fresh fruit bunches measured at Level 3 are using the following significant unobservable inputs in the valuation model:

Valuation technique	Significant unobservable inputs	Group 2020	Group 2019
Income Capitalisation	Estimated sale price per tonne (RM)	**780**	657

(c) Other information

The movement of the fresh fruit bunches is as follows:

	Note	Group 2020 RM'000	Group 2019 RM'000
At the beginning of the year		**251**	144
(Loss)/Gain in fair value less cost to sell	33,35	**(197)**	107
At the end of the year		**54**	251

Oil palm trees of the Group are planted at PN No. 16804, Lot 3516 and PN No. 16806, Lot 3517, Mukim of Penor, District of Kuantan, State of Pahang Darul Makmur in Malaysia with a total area of 404.84 hectares.

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19. AMOUNTS DUE FROM/(DUE TO) SUBSIDIARIES

This notes provides information relating to the advances made between the Company and its subsidiaries.

	Company	
	2020 RM'000	2019 RM'000
Amounts due from subsidiaries	-	165
Amounts due to subsidiaries	**(413,065)**	(389,586)

(a) Recognition, measurement and significant judgement

(i) Amounts due from subsidiaries

Amounts due from subsidiaries are financial assets with fixed or determinable collections (repayments) and classified as amortised cost assets. Amounts due from subsidiaries are recognised initially at fair value and subsequently measured at amortised cost as described in Note 14(a)(vi).

The Company adopts the 'general approach' under MFRS 9 in providing the expected credit loss. The 'general approach' is described in Note 14(a)(vii). Based on the assessment, the amounts due from subsidiaries have low credit risk and it was negligible, hence no expected credit loss is recognised thereof.

(ii) Amounts due to subsidiaries

Amounts due to subsidiaries are financial liabilities with fixed or determinable payments and classified as amortised cost liabilities. Amounts due to subsidiaries are recognised when the respective financial obligation arises and are recognised initially at fair value of the goods and/or services received. Subsequent to the initial recognition, such amounts due to subsidiaries are measured at amortised cost as described in Note 24(a)(ii).

(b) Interest rates

Amounts due from/(due to) subsidiaries are denominated in RM, unsecured and bear an interest rate ranging from 3.06% to 5.52% (2019: 4.47% to 5.68%) per annum. At the end of the year, such amounts including interest therein are due and to be received/paid.

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20. DERIVATIVE ASSETS/(LIABILITIES)

This note describes the derivative transactions of the Group and the Company.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Derivative assets					
Investment in warrants of a subsidiary	(c)(i)	**-**	-	**-**	64,670
Derivative liabilities					
Contract/Notional amount					
Cross-currency interest rate swap	(c)(ii)	**147,024**	-	**-**	-
At fair value					
Cross-currency interest rate swap		**6,013**	-	**-**	-
Carrying amount analysed by maturity:					
More than 2 years		**6,013**	-	**-**	-

The carrying amount is classified under the Financial Services and Investment Holding segment.

(a) Recognition and measurement

Derivative assets of the Company comprises investment in warrants of PJDH, arising from the acquisition of PJDH in 2015, which had expired on 4 December 2020. The financial assets initially recognised at fair value based on the contract. Subsequent to initial recognition, such derivative assets are measured at their fair values; unless such fair values cannot be reliably measured and such amount is then measured at cost less impairment, if any. Gains or losses from the changes in fair values of the derivative assets are recognised in profit or loss.

Derivative liabilities of the Group are financial liabilities initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of the cash flow hedge, subsequent gain or loss on remeasurement of this hedging instrument is recognised in other comprehensive income.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss.

If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

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20. DERIVATIVE ASSETS/(LIABILITIES) (CONT'D)

(b) Fair value measurement

Pursuant to MFRS 13 'Fair Value Measurement', the Group established a fair value hierarchy that was categorised into three levels of inputs to valuation techniques which were used to measure fair value as disclosed in Note 7(b)(ii). Fair value measurement of the derivative assets/(liabilities) was categorised within Level 2 of the fair value hierarchy, using valuation techniques for which all inputs that had a significant effect on the recorded fair values were observable for the asset/(liabilities).

(c) Other information

(i) Investment in warrants of a subsidiary

This represents investment in PJDH's warrants held by the Company. Upon expiry of these warrants on 4 December 2020, the Company had written off the carrying value of 137,603,196 warrants to profit or loss (Note 35).

In 2019, a portion of the warrants in the subsidiary with the carrying amount of RM47.8 million were pledged to a licensed financial institution [Note 24(f)] to secure the MTN 1 [Note 24(b)] issued by the Company.

(ii) Cross-currency interest rate swap

The cross-currency interest rate swap has been entered into in order to operationally hedge the borrowings denominated in United States Dollar ("USD") and floating monthly interest payments on borrowing that would mature on 30 January 2023. The fair value of these components has been determined based on the difference between the monthly future rates and the strike rate.

21. SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

This note provides investment held by the Group and the Company.

	Group and Company	
	2020 RM'000	**2019 RM'000**
Quoted shares in Malaysia	**225**	264

The carrying amount is classified under Financial Services and Investment Holding segment.

(a) Recognition and measurement

Quoted securities are financial assets designated as fair value through profit or loss in accordance with the Group's investment strategy. Such quoted securities are recognised initially at fair value based on the contracts. Subsequent to the initial recognition, such securities are measured at their fair values. Any gains or losses arising from changes in fair values are recognised in profit or loss. Fair values of the quoted securities are based on last bid price in the active market. Gains or losses on sale of these securities, interest and dividend income on these securities are recognised separately in profit or loss.

(b) Fair value measurement

Pursuant to MFRS 13 'Fair Value Measurement', the Group establishes a fair value hierarchy that is categorised into three levels of inputs to valuation techniques which are used to measure fair value as disclosed in Note 7(b)(ii).

The fair value measurement of the quoted securities is categorised within Level 1 of the fair value hierarchy, using unadjusted active market price of the identified assets.

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22. CASH, BANK BALANCES AND SHORT TERM FUNDS

This note outlines the liquid funds of the Group and the Company.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances		**47,770**	58,831	**1,342**	794
Deposits with licensed financial institutions		**78,577**	68,103	**-**	-
Short term funds		**470,110**	446,335	**9,744**	14,089
		596,457	573,269	**11,086**	14,883
Housing development accounts		**66,245**	16,838	**-**	-
		662,702	590,107	**11,086**	14,883
Reclassified to disposal group held for sale	23	**-**	(4,263)	**-**	-
	4,5(b)(ii)	**662,702**	585,844	**11,086**	14,883
Carrying amount analysed by business segments:					
Property		**320,800**	412,009		
Construction		**31,513**	21,523		
Industries		**22,775**	20,175		
Hospitality		**10,527**	11,538		
Financial Services & Investment Holding		**277,087**	120,599		
		662,702	585,844		

(a) Recognition and measurement

Cash and bank balances, deposits with licensed financial institutions and housing development accounts are financial assets with fixed and determinable sums that are classified as amortised cost assets. Such sums are recognised initially at fair value and subsequently measured at amortised cost as described in Note 14(a)(vi).

Short term funds are financial assets. Such short term funds are recognised initially at fair value based on contracts entered. Subsequent to the initial recognition, such funds are measured at fair value through profit or loss.

22. CASH, BANK BALANCES AND SHORT TERM FUNDS (CONT'D)

(b) Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, deposits with licensed financial institutions and short term funds with short term maturities and highly liquid investments which have an insignificant risk of changes in value net of bank overdrafts. Statements of cash flows are prepared using indirect method and changes in cash and cash equivalents are classified into operating, investing and financing activities.

Bank accounts held under housing development accounts, form part of bank balances, are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia. The utilisation of this balance is restricted to property development activities.

(c) Interest rates

The interest rates at the end of the year of:

(i) bank balances under housing development accounts ranging from 0.45% to 2.20% (2019: 1.65% to 2.20%) per annum.

(ii) bank balances under current accounts ranging from 0.75% to 2.25% (2019: 2.25% to 2.75%).

(d) Bank balances and short term funds pledged as security

Included in the cash, bank balances and short term funds are the following amounts that are pledged as security to secure credit facilities as disclosed in Note 24(f).

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Medium term notes and Sukuk					
(i) Cash and bank balances		**9**	9	**-**	-
(ii) Debt Service Reserve Account ("DSRA"):					
- Cash and bank balances		**5**	3	**-**	-
- Short term funds		**6,154**	5,154	**4,205**	4,097
	24(g)(i)	**6,159**	5,157	**4,205**	4,097
(iii) Finance Service Reserve Account ("FSRA"):					
- Cash and bank balances		**7**	9	**-**	-
- Deposits with licensed financial institutions		**744**	719	**-**	-
- Short term funds		**1,214**	1,181	**-**	-
	24(g)(i)	**1,965**	1,909	**-**	-

22. CASH, BANK BALANCES AND SHORT TERM FUNDS (CONT'D)

(d) Bank balances and short term funds pledged as security (Cont'd)

Included in the cash, bank balances and short term funds are the following amounts that are pledged as security to secure credit facilities as disclosed in Note 24(f). (Cont'd)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Medium term notes and Sukuk (Cont'd)					
(iv) Proceeds Account ("PA"):					
- Cash and bank balances	24(g)(i)	**108**	91	**108**	91
		8,241	7,166	**4,313**	4,188
Term					
Deposits with licensed financial institutions		**6,003**	5,863	**-**	-
Short term funds		**110,667**	-	**-**	-
	24(f)	**124,911**	13,029	**4,313**	4,188

(e) Other information

The remaining maturities of deposits with the licensed financial institutions at the end of the year is within 365 days (2019: 365 days).

Short term funds aim to invest in highly liquid instruments which are investing its assets in Ringgit Malaysia deposits with licensed financial institutions in Malaysia and are redeemable with one day notice. These funds are subject to an insignificant risk of changes in value and form part of cash and cash equivalents. Funds distribution income and gain on redemption of these funds is tax-exempted, is calculated daily and distributed at every month.

No expected credit loss is recognised arising from the bank balances as the probability of default by these licensed financial institutions was negligible.

Currency exposure profile of the cash, bank balances and short term funds is disclosed in Note 5(b)(ii). Cash, bank balances and short term funds of the Company are denominated in RM.

23. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

This note provides information about the proposed disposal of a subsidiary, OVI, Vietnam.

In 2019, the assets and liabilities of OCC, a wholly-owned subsidiary of OCCM, an indirect wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, had been presented as disposal group held for sale. On 30 June 2020, the disposal of the subsidiary was completed and the effects of the disposal was disclosed in Note 8(b)(v).

23. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The assets and liabilities of the disposal group classified as held for sale as at 31 December 2019 were as follows:

	Note	Group 2019 RM'000
ASSETS		
Non-current		
Property, plant and equipment	6(b)(i)	4,479
Right-of-use assets	11(b)(i),11(b)(ii)	1,805
		6,284
Current		
Inventories	12(b)(iv)	5,086
Trade receivables	15	4,635
Other assets	16	1,730
Cash, bank balances and short term funds	22	4,263
		15,714
Assets of disposal group classified as held for sale		21,998
LIABILITIES		
Non-current		
Lease liabilities	11(c)	627
Current		
Borrowings	24,24(h)(i)	4,640
Trade payables	25	4,120
Lease liabilities	11(c)	66
Other liabilities	26	682
		9,508
Liabilities of disposal group classified as held for sale		10,135

Recognition and measurement

Disposal group is classified as held for sale if its carrying amounts will be recovered principally through a sales transaction rather than through continuing use with the condition that the sale is highly probable and the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary of the disposal group. The disposal group held for sale is presented separately on the statements of financial position and is measured at the lower of its carrying amount and fair value less costs to sell.

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24. BORROWINGS

This note outlines details of the bank borrowings utilised by the Group and the Company.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Secured					
Bridging		**3,351**	42,432	**-**	-
Medium term notes ("MTNs") and Sukuk		**1,203,901**	1,157,562	**191,825**	266,206
Term		**298,006**	194,948	**-**	-
		1,505,258	1,394,942	**191,825**	266,206
Unamortised issuance expenses		**(1,017)**	(1,505)	**(555)**	(928)
Total non-current		**1,504,241**	1,393,437	**191,270**	265,278
Current					
Secured					
Bankers' acceptances		**12,050**	-	**-**	-
MTNs and Sukuk		**39,000**	25,000	**-**	-
Revolving credits		**131,520**	154,950	**-**	-
Term		**15,504**	17,510	**-**	-
		198,074	197,460	**-**	-
Unamortised issuance expenses		**(115)**	(129)	**-**	-
		197,959	197,331	**-**	-
Unsecured					
Bank overdrafts		**-**	63	**-**	-
Revolving credits		**694,797**	787,701	**40,000**	40,000
Trust receipts		**-**	4,640	**-**	-
		694,797	792,404	**40,000**	40,000
Reclassified to disposal group held for sale - Trust receipts	23	**-**	(4,640)	**-**	-
		694,797	787,764	**40,000**	40,000
Total current		**892,756**	985,095	**40,000**	40,000
Total	4,5(b)(ii)	**2,396,997**	2,378,532	**231,270**	305,278
Total borrowings					
Bank overdrafts		**-**	63	**-**	-
Bankers' acceptances		**12,050**	-	**-**	-
Bridging		**3,351**	42,432	**-**	-
MTNs and Sukuk		**1,241,769**	1,180,928	**191,270**	265,278
Revolving credits		**826,317**	942,651	**40,000**	40,000
Term		**313,510**	212,458	**-**	-
		2,396,997	2,378,532	**231,270**	305,278

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24. BORROWINGS (CONT'D)

The carrying amount analysed by maturity:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
On demand or within 1 year	**892,756**	985,095	**40,000**	40,000
More than 1 year but less than 2 years	**282,943**	196,711	**191,270**	73,626
More than 2 years but less than 5 years	**805,466**	730,049	**-**	191,652
More than 5 years	**415,832**	466,677	**-**	-
	2,396,997	2,378,532	**231,270**	305,278

	Group 2020 RM'000	Group 2019 RM'000
Carrying amount analysed by business segments:		
Property	**928,101**	879,623
Industries	**16,452**	6,990
Hospitality	**148,237**	123,538
Financial Services & Investment Holding	**1,304,207**	1,368,381
	2,396,997	2,378,532

(a) Recognition and measurement

(i) Borrowings

Borrowings are financial liabilities which are classified as amortised cost liabilities.

Borrowings are recognised when the financial obligation of liabilities from the borrowings arises and are recognised initially at fair values of borrowed sums, net of any transaction cost. Subsequent to the initial recognition, such borrowings are measured at amortised cost as described in Note (a)(ii) below.

Borrowings are derecognised upon extinguishment of financial obligations. Gains or losses including interest and fee expenses, discount and rebates as well as amortisation of transaction costs are recognised in profit or loss.

When the existing borrowings are replaced by another lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(ii) Financial liabilities measured at amortised cost and effective interest method

Amortised cost of a financial liability is the amount measured at initial recognition and adjusted for subsequent recognition of interest expense using the effective interest method of any difference between that initial amount and the maturity amount and minus repayments.

Effective interest rate is the rate that discounts estimated future cash outflows through the expected life of the financial liability to the amortised cost of a financial liability. Effective interest method is the method that is used in the calculation of the amortised cost of a financial liability and in the allocation and recognition of the interest expense in profit or loss over the relevant period.

Therefore, carrying amount of the financial liability is a reasonable approximation of its fair value.

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24. BORROWINGS (CONT'D)

(b) Medium Term Note Programme for the issuance of MTNs of up to RM990.0 million in nominal value ("MTN 1")

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to MTN 1 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN 1 will give the Company the flexibility to raise funds via the issuance of MTNs of up to RM990.0 million in nominal value, which can be utilised to refinance its existing borrowings and to fund its working capital requirements. MTN 1 is unrated and has a tenure of 15 years from the date of its first issuance.

On 30 October 2015, 17 November 2016 and 1 December 2016, the Company issued a total of RM940.1 million of MTN 1 with maturities commencing from year 2017 to 2022 and redeemable every 6 months commencing 18 and 30 months after the first issuance date. The proceeds raised from the issuance of the MTN 1 were utilised for working capital requirements and repayment of borrowings of the Group.

On 30 September 2020 and 19 October 2020, the Company redeemed RM63.4 million and RM11.0 million of MTN 1, respectively. The total amount of MTN 1 redeemed since first issuance amounted to RM748.3 million.

MTN 1 is secured by:

(1) First party legal charge by way of Memorandum of Deposit with Power of Attorney over shares and warrants in certain subsidiaries as disclosed in Notes 8(d)(iii) and 20(c)(i) respectively; and

(2) First party assignment and charge over the Company's rights (including rights to sue), title, interest and benefit in and under the DSRA and Disbursement Account and all monies standing to the credit thereto [Notes (g)(i) and 22(d)(ii)].

MTN 1 contain various covenants, including the following:

(1) The Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of MTN 1.

(2) The Company shall maintain a security cover ratio of not less than 1.5 times throughout the tenure of MTN 1.

(3) The Company shall maintain a Debt Service Reserve Account ("DSRA") with a minimum amount equivalent to one month interest payment. The amount can be utilised for the payment of interest of MTNs in the event of a default in interest payment obligations. Any utilised funds shall be replenished within 14 days from the date of withdrawal/shortfall.

(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2"), both programmes for the issuance of MTNs and Sukuk with a combined limit up to RM1.8 billion in nominal value

On 9 March 2018, OSK I CM Sdn. Bhd. ("OSKICM"), a wholly-owned subsidiary of the Company, lodged a Sukuk 1 with SC. On 20 April 2018, OSKICM lodged MTN 2 and re-lodged the Sukuk 1 with SC all the required information and relevant documents pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. Both programmes will give OSKICM the flexibility to raise funds via the issuance of Sukuk 1 or MTN 2 with a combined limit of up to RM1.8 billion in nominal value, which can be utilised for working capital requirements and repayment of borrowings of the Group. Both Sukuk 1 and MTN 2 are unrated and tradeable and have a perpetual tenure.

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24. BORROWINGS (CONT'D)

(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2"), both programmes for the issuance of MTNs and Sukuk with a combined limit up to RM1.8 billion in nominal value (Cont'd)

The terms of Sukuk 1 and MTN 2 contain various covenants, including the following:

(1) the Group shall maintain a gearing ratio of not exceeding 1.5 times at all times throughout the tenure of the Programme.

(2) OSKICM shall set up or procure Trustees' Reimbursement Account with RM30,000 each in respect of Sukuk 1 and MTN 2 which shall be maintained at all times throughout the tenure of the Programme.

(i) Tranche 1 and 2 of MTN 2

On 30 April 2018 and 17 May 2018, OSKICM issued a total of RM250.0 million of Tranche 1 of MTN 2 in 4 series with maturities commencing from year 2021 to 2028 and redeemable every 12 months commencing 12 months after the first issuance date. The Company redeemed a total of RM17.5 million of the Tranche 1 of MTN 2 in 2018.

On 30 January 2019, OSKICM issued Tranche 2 of MTN 2 of RM200.0 million in 7 series with maturities commencing from year 2020 to 2026, redeemable every 12 months commencing 12 months after the first issuance date. OSKICM redeemed RM23.6 million for Tranche 1 of MTN 2 and RM19.7 million for Tranche 2 of MTN 2 in 2019.

Both proceeds from Tranche 1 and Tranche 2 of MTN 2 were utilised for working capital requirements and repayment of borrowings of the Group.

On 30 June 2020, 30 September 2020 and 19 October 2020, OSKICM redeemed the Tranche 1 MTN 2 of RM18.9 million, RM10.5 million and RM50.0 million, respectively. On 30 January 2020, 30 June 2020 and 30 September 2020, OSKICM also redeemed the Tranche 2 MTN 2 of RM20.0 million, RM14.5 million and RM46.4 million, respectively.

Since first issuance 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 amounting to RM120.5 million and RM100.6 million, respectively.

Both Tranche 1 and 2 of MTN 2 require a security cover of not less than 2.0 times and are secured by:

(1) shares in an associate of the Company ("Tranche 1 and 2 Pledged Shares") [Note 9(b)(i)]; and

(2) all its rights, titles, interests and benefits in and under the shares proceeds account ("PA") for Tranche 1 and 2 maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account is mainly to capture dividend income receivable from an associate) as disclosed in Note (g)(i).

(ii) Tranche 2 of Sukuk 1

On 23 July 2018, OSKICM issued a total of RM93.0 million, for acquisition of a piece of land for development, with maturities commencing from year 2021 to 2024 and redeemable every 3 months commencing 36 months after the first issuance date.

24. BORROWINGS (CONT'D)

(c) Sukuk Murabahah Programme ("Sukuk 1") and Medium Term Note Programme ("MTN 2"), both programmes for the issuance of MTNs and Sukuk with a combined limit up to RM1.8 billion in nominal value (Cont'd)

(ii) Tranche 2 of Sukuk 1 (Cont'd)

Tranche 2 of Sukuk 1 is secured by:

(1) all its rights, titles, interests and benefits in and under the operating account for Tranche 2 ("Tranche 2 Operating Account") maintained by OSKICM and all monies from time to time standing to the credit thereto;

(2) all its rights, titles, interests and benefits in and under the Finance Service Reserve Account ("FSRA") and Tranche 2 Operating Account maintained by Perspektif Vista Sdn. Bhd. ("PV"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company, and all monies from time to time standing to the credit thereto;

(3) a development land charge under the provisions of the National Land Code, 1965 [Note 12(b)(i)];

(4) a debenture creating a first ranking fixed and floating charge over all its present and future assets in respect of the project; and

(5) a FSRA, maintained by PV, of a minimum amount equivalent to three periodic profit payments as disclosed in Note (g)(i).

(iii) Tranche 3 of Sukuk 1

On 5 November 2018, OSKICM issued Tranche 3 of Sukuk 1 for RM170.0 million to repay Company's borrowings. Tranche 3 of Sukuk 1 is redeemable every 6 months commencing 36 months after the first issuance date and with maturities commencing from year 2021 to 2025.

The Tranche 3 of Sukuk 1 requires a security cover of not less than 1.5 times and is secured by:

(1) shares in certain subsidiaries ("Pledged Shares") as disclosed in Note 8(d)(iii);

(2) all its rights, titles, interests and benefits in and under the shares proceeds account for Tranche 3 ("Tranche 3 Proceeds Account") maintained by the Company and all monies from time to time standing to the credit thereto (this proceeds account is mainly to capture dividend income receivable from certain subsidiaries);

(3) all its rights, titles, interests and benefits in and under the FSRA and Tranche 3 Operating Account maintained by OSKICM and all monies from time to time standing to the credit thereto; and

(4) a FSRA, maintained by OSKICM, of a minimum amount equivalent to one periodic profit payment as disclosed in Note (g)(i).

24. BORROWINGS (CONT'D)

(d) Medium Term Note Programme for the issuance of medium term notes of up to RM980.0 million in nominal value ("MTN 3")

On 25 April 2019, OSKICM lodged with SC all the required information and relevant documents relating to the MTN 3 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. MTN 3 is unrated and tradeable with a limit of up to RM980.0 million and has a perpetual tenure.

Proceeds raised from the issuance of the MTN 3 shall be utilised by OSKICM and the Group for (i) investment activities; (ii) capital expenditure; (iii) working capital requirements; (iv) general corporate exercise; and (v) refinancing of existing borrowings.

The terms of the MTN 3 contain various covenants, including the following:

(1) the Group shall maintain a gearing ratio of not exceeding 1.5 times throughout the tenure of the Programme.

(2) OSKICM shall set up or procure Trustees' Reimbursement Account with a sum of RM30,000 in respect of MTN 3 which shall be maintained at all times throughout the tenure of the Programme.

(i) Tranche 1 of MTN 3

On 10 May 2019, OSKICM issued Tranche 1 of MTN 3 for RM164.2 million in 15 series with maturities commencing from year 2020 to 2034, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised to repay the existing borrowings of a subsidiary.

On 8 May 2020, OSKICM redeemed RM5.0 million for a series matured.

The Tranche 1 of MTN 3 is secured by:

(1) all its rights, titles, interests and benefits to and in, amongst others:

(i) Atria Mall Revenue Account and Carpark Revenue Account ("Revenue Accounts") maintained by Atria Shopping Gallery Sdn. Bhd. ("ASG") and Atria Parking Management Sdn. Bhd. ("APM") respectively, subsidiaries of OSKPH, which in turn are subsidiaries of the Company and all monies from time to time standing to the credit thereto;

(ii) Atria Mall Rental Proceed and Carpark Rental Proceed ("Rental Proceeds") maintained by ASG and APM respectively, and all monies from time to time standing to the credit thereto;

(iii) Debt Service Reserve Account ("DSRA") maintained by a subsidiary, ASG and all monies from time to time standing to the credit thereto as disclosed in Note (g)(i);

(iv) Insurances of ASG and APM;

(v) Atria Mall and Carpark under the Sale and Purchase Agreement entered between ASG, APM and Atria Damansara Sdn. Bhd. ("AD"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company [Note 7(c)(ii)];

24. BORROWINGS (CONT'D)

(d) Medium Term Note Programme for the issuance of medium term notes of up to RM980.0 million in nominal value ("MTN 3") (Cont'd)

(i) Tranche 1 of MTN 3 (Cont'd)

The Tranche 1 of MTN 3 is secured by: (Cont'd)

(2) debentures by ASG and APM creating a first fixed charge over Atria Mall and Carpark respectively, all fixtures, fittings, equipment, machinery, systems and all other appurtenant thereto both present and future affixed to or installed in or within Atria Mall and Carpark [Note 7(c)(iii)]; and

(3) a piece of land owned by AD together with all buildings and fixtures erected thereon, charge under the provisions of the National Land Code 1965.

(ii) Tranche 2, Tranche 3 and Tranche 4 of MTN 3

OSKICM issued Tranche 2 of MTN 3 for RM100.0 million and Tranche 3 of MTN 3 for RM100.0 million on 30 September 2019 and 30 January 2020 respectively. Proceeds from both tranches were utilised for working capital requirements and redeemable after 5 years from the issuance dates.

On 30 September 2020, OSKICM issued Tranche 4 of MTN 3 for RM200.0 million in 8 series with maturities commencing from year 2021 to 2028, redeemable every 12 months commencing 12 months after the first issuance date. The proceeds were utilised for repayment of the existing bank borrowings of the Group.

There were no redemption for Tranche 2, Tranche 3 and Tranche 4 of MTN 3 during the year.

The Tranche 2, Tranche 3 and Tranche 4 of MTN3 are secured by:

(1) first party legal charge by the way of Memorandum of Deposit with Power of Attorney over shares of an associate of the Company [Note 9(b)(i)];

(2) all its rights, titles, interests and benefits to and in the DSRA maintained by OSKICM and all monies from time to time standing to the credit thereto; and

(3) a DSRA, maintained by OSKICM, of a minimum amount equivalent to one month coupon payment as disclosed in Note (g)(i).

(e) Establishment of Islamic/Multi currency Medium Term Notes Programme with a combined limit of up to RM2.0 billion in nominal value ("rated Sukuk/MCMTN")

On 29 September 2020, OSKRB, a wholly-owned subsidiary of the Company lodged with SC all the required information and relevant documents relating to rated Sukuk/MCMTN pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The tenure of the rated Sukuk/MCMTN Programme is perpetual. The proposed rated Sukuk/MCMTN to be issued by OSKRB will be guaranteed by the Company.

Malaysian Rating Corporation Berhad (MARC) had via its letter dated 16 November 2020 informed the Company that MARC assigned a final rating of AA_{IS}/AA with stable outlook to OSKRB's rated Sukuk/MCMTN Programme.

There were no issuance of rated Sukuk/MCMTN since the establishment date until the end of the year.

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24. BORROWINGS (CONT'D)

(f) Secured financing

The Group and the Company have pledged the following assets as security for the secured borrowings.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Carrying amounts of the assets pledged					
Property, plant and equipment	6(b)(ii)	**198,247**	204,327	**-**	-
Investment properties	7(c)(iii)	**383,244**	409,294	**-**	-
Right-of-use assets	11(b)(i)	**427**	439	**-**	-
Inventories					
- Land held for property development	12(b)(i)	**376,965**	372,301	**-**	-
- Property development expenditure	12(b)(ii)	**102,100**	228,909	**-**	-
Cash, bank balances and short term funds	22(d)	**124,911**	13,029	**4,313**	4,188
		1,185,894	1,228,299	**4,313**	4,188
Shares and warrants pledged					
Investments in subsidiaries	8(d)(iii)	**-**	-	**1,328,712**	1,328,716
Investments in associates	9(b)(i)	**2,588,854**	1,662,978	**1,762,666**	1,174,566
Derivative assets - Warrants	20(c)(i)	**-**	47,800	**-**	47,800
		2,588,854	1,710,778	**3,091,378**	2,551,082
		3,774,748	2,939,077	**3,095,691**	2,555,270

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24. BORROWINGS (CONT'D)

(g) Other information

(i) The Group's outstanding MTNs and Sukuk, DSRA, FSRA and PA balances are as follows:

	Note	Outstanding amounts RM'000	DSRA balances [Note 22(d)(ii)] RM'000	FSRA balances [Note 22(d)(iii)] RM'000	PA balances [Note 22(d)(iv)] RM'000
2020					
MTN 1	(b)	**191,825**	**4,205**	**-**	**-**
Tranche 1 of MTN 2	(c)(i)	**129,500**	**-**	**-**	**43**
Tranche 2 of MTN 2	(c)(i)	**99,405**	**-**	**-**	**29**
Tranche 2 of Sukuk 1	(c)(ii)	**92,971**	**-**	**1,221**	**-**
Tranche 3 of Sukuk 1	(c)(iii)	**170,000**	**-**	**744**	**36**
Tranche 1 of MTN 3	(d)(i)	**159,200**	**699**	**-**	**-**
Tranche 2 of MTN 3	(d)(ii)	**100,000**	**369**	**-**	**-**
Tranche 3 of MTN 3	(d)(ii)	**100,000**	**368**	**-**	**-**
Tranche 4 of MTN 3	(d)(ii)	**200,000**	**518**	**-**	**-**
		1,242,901	**6,159**	**1,965**	**108**
Unamortised issuance expenses		**(1,132)**			
		1,241,769			
2019					
MTN 1	(b)	266,206	4,097	-	-
Tranche 1 of MTN 2	(c)(i)	208,900	-	-	32
Tranche 2 of MTN 2	(c)(i)	180,285	-	-	23
Tranche 2 of Sukuk 1	(c)(ii)	92,971	-	1,188	-
Tranche 3 of Sukuk 1	(c)(iii)	170,000	-	721	36
Tranche 1 of MTN 3	(d)(i)	164,200	692	-	-
Tranche 2 of MTN 3	(d)(ii)	100,000	368	-	-
		1,182,562	5,157	1,909	91
Unamortised issuance expenses		(1,634)			
		1,180,928			

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24. BORROWINGS (CONT'D)

(g) Other information (Cont'd)

(ii) The Group issued and redeemed the following MTNs and Sukuk during the year:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Issuance:					
Tranche 2 of MTN 2	(c)(i)	**-**	200,000	**-**	-
Tranche 1 of MTN 3	(d)(i)	**-**	164,200	**-**	-
Tranche 2 of MTN 3	(d)(ii)	**-**	100,000	**-**	-
Tranche 3 of MTN 3	(d)(ii)	**100,000**	-	**-**	-
Tranche 4 of MTN 3	(d)(ii)	**200,000**	-	**-**	-
		300,000	464,200	**-**	-
Redemption:					
MTN 1	(b)	**(74,381)**	(350,000)	**(74,381)**	(350,000)
Tranche 1 of MTN 2	(c)(i)	**(79,400)**	(23,600)	**-**	-
Tranche 2 of MTN 2	(c)(i)	**(80,880)**	(19,715)	**-**	-
Tranche 1 of MTN 3	(d)(i)	**(5,000)**	-	**-**	-
		(239,661)	(393,315)	**(74,381)**	(350,000)

(iii) All security covers for the above credit facilities are met at all times during the year.

(iv) The unsecured revolving credits of certain subsidiaries are supported by corporate guarantees of the Company.

(v) Certain of the above borrowings of indirect subsidiaries are supported by corporate guarantees of their respective holding companies.

(vi) Liquidity risk of the borrowings is disclosed in Note 5(a).

(vii) Currency exposure profile of the borrowings is disclosed in Note 5(b)(ii).

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24. BORROWINGS (CONT'D)

(h) Reconciliation of liabilities arising from financing activities

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(i) Borrowings (excluding bank overdraft)					
At the beginning of the year		**2,378,469**	2,474,432	**305,278**	650,575
Cash flows		**20,582**	(91,847)	**(74,381)**	(345,700)
Non-cash:					
- Fair value loss on cash flow hedge		**(2,556)**	-	**-**	-
- Others		**502**	524	**373**	403
Reclassified to disposal group held for sale	23	**-**	(4,640)	**-**	-
At the end of the year		**2,396,997**	2,378,469	**231,270**	305,278
(ii) Lease liabilities					
At the beginning of the year		**29,695**	-	**1,704**	-
Effects of adoption of MFRS 16		**-**	1,459	**-**	3,360
Cash flows	11(c)	**(15,526)**	(3,850)	**(1,812)**	(1,792)
Non-cash:					
- New leases		**12,497**	32,231	**3,264**	-
- Effect of rent concession received		**(7)**	-	**-**	-
- Reassessments and modifications of leases		**(55)**	(19)	**-**	-
- Interest charged		**1,994**	567	**115**	136
		14,429	32,779	**3,379**	136
Reclassified to disposal group held for sale	23	**-**	(693)	**-**	-
At the end of the year	11	**28,598**	29,695	**3,271**	1,704
Total liabilities from financing activities		**2,425,595**	2,408,164	**234,541**	306,982

(i) Interest rates and profit rates

	Group 2020 %	Group 2019 %	Company 2020 %	Company 2019 %
Borrowings	**1.76 - 5.42**	4.20 - 8.10	**3.20 - 4.76**	4.49 - 5.00

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25. TRADE PAYABLES

This note provides information about the outstanding balances of contractors and suppliers.

		Group	
	Note	2020 RM'000	2019 RM'000
Non-current			
Property development payables		**5,989**	711
Construction payables		**10,401**	16,832
Total non-current		**16,390**	17,543
Current			
Property development payables		**21,853**	25,467
Construction payables		**34,578**	26,769
Industries related payables		**16,096**	18,672
Hotels related payables		**611**	2,860
Advances received from capital financing		**461**	146
Others		**12,749**	10,285
		86,348	84,199
Reclassified to disposal group held for sale			
- Industries related payables	23	**-**	(4,120)
Total current		**86,348**	80,079
Total	5(b)(ii)	**102,738**	97,622
Carrying amount analysed by business segments:			
Property		**27,842**	26,178
Construction		**44,979**	43,601
Industries		**16,096**	14,552
Hospitality		**611**	2,860
Financial Services & Investment Holding		**13,210**	10,431
		102,738	97,622

(a) Recognition and measurement

Trade payables are financial liabilities which are classified as amortised cost liabilities. Trade payables are recognised when the financial obligation arises and are recognised initially at their fair values of goods and services received. Subsequent to the initial recognition, such trade payables are measured at amortised cost as described in Note 24(a)(ii). Trade payables are derecognised upon extinguishment of their financial obligations.

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25. TRADE PAYABLES (CONT'D)

(b) Other information

(i) Trade payables are non-interest bearing. Normal trade credit terms granted to the Group range from 30 to 90 days (2019: 30 to 90 days).

(ii) Liquidity risk of the trade payables is disclosed in Note 5(a).

(iii) Currency exposure profile of the trade payables is disclosed in Note 5(b)(ii).

26. OTHER LIABILITIES

This note provides information about the other liabilities by nature based on their financial obligations including provisions for expenses where probable outflow of economic resources are expected.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Other payable	(b)(i)	**43,640**	-	**-**	-
Deposits received	(b)(ii)	**5,690**	6,469	**-**	-
	5(b)(ii)	**49,330**	6,469	**-**	-
Current					
Other payables	(b)(i)	**39,479**	59,448	**-**	1,705
Accruals	(b)(iii)	**296,987**	353,452	**283**	277
Deposits received		**8,989**	8,509	**-**	-
	5(b)(ii)	**345,455**	421,409	**283**	1,982
Provisions	(b)(iv)	**99,681**	93,399	**3,868**	3,997
		445,136	514,808	**4,151**	5,979
Reclassified to disposal group held for sale					
- Accruals	5(b)(ii), 23	**-**	(494)	**-**	-
- Provisions	23	**-**	(188)	**-**	-
Total current		**445,136**	514,126	**4,151**	5,979
Total		**494,466**	520,595	**4,151**	5,979

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26. OTHER LIABILITIES (CONT'D)

This note provides information about the other liabilities by nature based on their financial obligations including provisions for expenses where probable outflow of economic resources are expected. (Cont'd)

	Group	
	2020 RM'000	**2019 RM'000**
Carrying amount analysed by business segments:		
Property	**453,147**	474,856
Construction	**13,583**	12,286
Industries	**7,565**	8,156
Hospitality	**10,235**	13,081
Financial Services & Investment Holding	**9,936**	12,216
	494,466	520,595

(a) Recognition, measurement and significant judgement

Other payables, accruals and deposits received are financial liabilities which are classified as amortised cost liabilities. These liabilities are recognised when the financial obligation of liabilities from the transactions arises and are recognised initially at fair values of goods and services received. Subsequent to the initial recognition, such liabilities are measured at amortised cost as described in Note 24(a)(ii). Other payables, accruals and deposits received are derecognised upon extinguishment of their financial obligations.

Provisions are recognised when the Group's or the Company's obligation arises (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.

Provisions are reviewed at the end of the year 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Other information

(i) The non-current other payable represents an amount due to a third party of RM43.6 million (2019: Nil) for the purchase of a piece of freehold development land in a subsidiary. The amount is unsecured, repayable in three equal annual instalments and will be fully repaid in 2024.

Included in current other payables is an amount due to a joint venture partner of RM212,000 (2019: RM212,000). This amount is unsecured and is repayable in accordance to the terms of the joint venture, subject to the consent of both parties to the joint venture.

(ii) The non-current deposits received represent amounts due to tenants for the rental of premises in a subsidiary and will be refunded upon the expiry of the tenancy agreements.

(iii) Accruals mainly consist of accrued property development related costs.

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26. OTHER LIABILITIES (CONT'D)

(b) Other information (Cont'd)

(iv) Included in provisions is an amount of RM76.4 million (2019: RM67.7 million) representing provision for low cost housing.

(v) Liquidity risk of the other liabilities excluding provisions is disclosed in Note 5(a).

(vi) Currency exposure profile of the other liabilities excluding provisions is disclosed in Note 5(b)(ii).

27. CONTRACT LIABILITIES

This note provides information about the outstanding contract liabilities which include income deferred for future recognition and should be read in conjunction with Note 17 in relation to contract assets.

		Group	
	Note	2020 RM'000	2019 RM'000
Non-current			
Contract liabilities in relation to deferred income:			
- capital financing facility fees		**1,167**	1,566
- vacation club membership fees		**92,796**	105,565
Total non-current		**93,963**	107,131
Current			
Contract liabilities in relation to:			
- property development activities	17(b)(i)	**16,672**	10,455
- construction contracts	17(b)(ii)	**3,554**	12,120
- deferred income in relation to:			
- capital financing facility fees		**3,937**	4,033
- vacation club maintenance fees		**424**	457
- vacation club membership fees		**6,191**	6,326
- hotel licence fees		**-**	125
Total current		**30,778**	33,516
Total		**124,741**	140,647
Carrying amount analysed by business segments:			
Property		**16,672**	10,455
Construction		**3,554**	12,120
Hospitality		**99,411**	112,473
Financial Services & Investment Holding		**5,104**	5,599
		124,741	140,647

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27. CONTRACT LIABILITIES (CONT'D)

(a) Recognition and measurement

Contract liabilities are the obligations to transfer goods or services to customers for which the Group has received the consideration, the fair values at initial recognition, or has billed the customers. For property development activities, contract liabilities (progress billings) are the excess of progress billings to purchasers over the cumulative revenue recognised. For construction contracts, contract liabilities are the excess of progress billings to customers over the construction costs incurred plus profit accrued. Contract liabilities include the vacation club membership fees are down payments from customers received where the Group has billed or has collected the payment before the services are provided to the customers. Contract liabilities are recognised as revenue when the performance obligations are satisfied.

(b) Other information

Further details of the contract liabilities of properties development activities and construction contracts are disclosed in Notes 17(b)(i) and 17(b)(ii) respectively.

28. SHARE CAPITAL

This note provides information about the issued and fully paid share capital and warrants issued.

		Group and Company			
		2020		2019	
	Note	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid ordinary shares					
At the beginning of the year		**2,095,300**	**2,095,310**	2,095,300	2,095,310
Issued pursuant to exercise of Warrants C 2015/2020		**1**	**1**	-	-
At the end of the year	29	**2,095,301**	**2,095,311**	2,095,300	2,095,310

(a) Recognition and measurement

Ordinary shares of the Company are recognised upon issuance of new ordinary shares to holders. The ordinary shares are classified as equity and recorded at fair value of consideration received.

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28. SHARE CAPITAL (CONT'D)

(b) Share capital information

The stock name, stock code and ISIN code of the ordinary shares are "OSK", "5053" and "MYL5053OO003" respectively. The Company's securities are classified under property sector on the Main Market of Bursa Securities, Malaysia.

Holders/Owners of the 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 residual assets of the Company.

During the year, the Company issued 1,213 new ordinary shares pursuant to the exercise of 1,213 Warrants C 2015/2020 with total proceeds of RM1,456.

(c) Warrants C 2015/2020

Once Warrants C 2015/2020 being exercised, the proportionate of fair value of the exercised warrants is reclassified to share capital account upon issuance of ordinary share.

The stock name, stock code and ISIN code of the Warrants C 2015/2020 are "OSK-WC", "5053WC" and "MYL5053WCU71" respectively.

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants which were listed on the Main Market of Bursa Securities on 4 August 2015.

On 29 November 2017, pursuant to the bonus issue of ordinary shares, the Company issued 118,856,788 additional Warrants C 2015/2020 based on one additional Warrants C for two existing Warrants C held.

During the year, 1,213 Warrants C 2015/2020 were exercised for 1,213 new ordinary shares.

The main features of Warrants C 2015/2020 are summarised below:

(i) Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of RM1.80 at any time during normal business hours up to 5:00 p.m. on or before 22 July 2020. In accordance with Condition 3(i) of the Third Schedule of the Deed Poll dated 7 July 2015 constituting the Warrants C 2015/2020, the exercise price and/or the number of warrants shall from time to time be adjusted, calculated or determined by the Board.

Upon issuance of additional Warrants C 2015/2020, the exercise price was adjusted from RM1.80 to RM1.20 pursuant to the completion of bonus issue on 29 November 2017.

The adjustments to the exercise price and number of the outstanding Warrants C pursuant to the Bonus Issue is set out below:

	Before the bonus issue	After the bonus issue
Exercise price (RM)	1.80	1.20
Number of outstanding Warrants C 2015/2020	237,720,377	356,577,165

28. SHARE CAPITAL (CONT'D)

(c) Warrants C 2015/2020 (Cont'd)

(ii) Full provisions regarding the transferability of Warrants C 2015/2020 to new ordinary shares, adjustment of the exercise price in certain circumstances, quotation on Bursa Securities and other terms and conditions pertaining to the Warrants C 2015/2020 are set out in details in a Deed Poll executed by the Company on 7 July 2015. The Deed Poll is available for inspection at the registered office of the Company.

On 22 July 2020, being the expiry date of Warrants C 2015/2020, a total 356,575,952 unexercised Warrants C 2015/2020 have lapsed. Accordingly, the Warrants C 2015/2020 were delisted and removed from the Official List of Bursa Malaysia with effect from 9.00 am on 23 July 2020. The expiry of such warrants has no financial impact to the Group.

29. TREASURY SHARES

This note provides information about the share buybacks of the Company.

		Group and Company			
		2020		2019	
	Note	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At cost					
At the beginning of the year		**23,464**	**35,636**	18,100	30,237
Share buybacks	(b)	**9,733**	**7,590**	5,364	5,399
At the end of the year		**33,197**	**43,226**	23,464	35,636
Total number of outstanding shares		**2,062,104**		2,071,836	
Total number of issued and fully paid ordinary shares	28	**2,095,301**		2,095,300	

(a) Recognition and measurement

When the Company repurchases its own equity share capital, the consideration paid including any directly attributable incremental external costs are included in equity attributable to the Company's equity holders as treasury shares until they are cancelled, reissued or disposed.

Shares repurchased are being held as treasury shares in accordance with Section 127 of CA2016. The Company may distribute the treasury shares as dividend to the Shareholders or re-sell the treasury shares in the market in accordance with the Rules of Bursa Securities or cancel the shares in accordance with Section 127 of CA2016.

When repurchased shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, are included in equity attributable to the Owners of the Company. Any difference between the resale price and the carrying amount of the repurchased shares is accounted as a movement in reserves in statement of changes in equity.

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29. TREASURY SHARES (CONT'D)

(b) Summary of the share buybacks

	Number of shares '000	Highest price RM	Lowest price RM	Average cost including transaction costs RM	Total amount paid RM'000
2020					
At the beginning of the year	**23,464**	**2.82**	**0.90**	**1.52**	**35,636**
Share buybacks during the year:					
January	**1,023**	**1.04**	**0.99**	**1.01**	**1,038**
October	**8,300**	**0.75**	**0.75**	**0.75**	**6,243**
November	**410**	**0.75**	**0.75**	**0.75**	**309**
	9,733	**1.04**	**0.75**	**0.78**	**7,590**
At the end of the year	**33,197**	**2.82**	**0.75**	**1.30**	**43,226**
2019					
At the beginning of the year	18,100	2.82	0.90	1.67	30,237
Share buybacks during the year:					
December	5,364	1.04	0.95	1.01	5,399
At the end of the year	23,464	2.82	0.90	1.52	35,636

During the year, the Company repurchased 9,733,400 (2019: 5,363,800) shares from the market at an average price of RM0.78 (2019: RM1.01) per unit by using internally generated funds.

(c) Other information

The Shareholders of the Company, by a special resolution passed at the Extraordinary General Meeting held on 18 December 2000, approved the Company's plan to repurchase its own ordinary shares. The Company has annually obtained the approval of the Shareholders to repurchase its own ordinary shares subject to the conditions of:

(i) the aggregate number of shares purchased or held does not exceed 10 percent of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) an amount not exceeding the Company's retained profits based on the latest audited financial statements and/or the latest management account of the Company at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends and/or in such manner as may be permitted pursuant to Section 127 of CA2016 and the provision of the listing requirements of Bursa Securities and any other relevant authorities.

The Directors are committed to enhance the value of the Company for its Shareholders and believe that the repurchase plan is to the best interests of the Company and its Shareholders.

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30. RESERVES

This note provides a breakdown of the items included in reserves.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revaluation reserve	(a)	**63,451**	63,451	**-**	-
Foreign currency translation reserves	(b)	**19,704**	11,221	**-**	-
Hedging reserve	(c)	**(3,457)**	-	**-**	-
Other reserves	(d)	**164,855**	111,790	**-**	-
		244,553	186,462	**-**	-
Retained profits		**2,997,781**	2,743,327	**1,148,402**	1,102,865
		3,242,334	2,929,789	**1,148,402**	1,102,865

(a) Revaluation reserve

	Group 2020 RM'000	Group 2019 RM'000
Revaluation surplus	**66,790**	66,790
Deferred tax	**(3,339)**	(3,339)
Revaluation reserve, net of tax	**63,451**	63,451

Revaluation reserve represents revaluation surplus on land and buildings of a subsidiary. On 9 November 2012, certain land and buildings that were classified as property, plant and equipment were reclassified to investment properties due to change in use as a result of the disposal of the investment banking subsidiaries. These land and buildings are measured at their fair values based on independent valuers at that date. A total gain of RM80.3 million was recognised as a revaluation surplus in 2012 and a deferred tax of RM4.0 million arising from change of tax legislation in 2013. The revaluation reserve is derecognised upon the completion of disposal of the underlying property.

(b) Foreign currency translation reserves

Foreign currency translation reserves are used to record foreign currency translation differences arising from the translations of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the foreign currency translation differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

The foreign currency translation reserves include share of foreign currency translation reserves of RM29.5 million (2019: RM18.9 million) arising from equity accounting of associates.

(c) Hedging reserve

Hedging reserve comprises cumulative net change in fair value of cash flow hedge instruments. This hedge instrument as disclosed in Note 20(c)(ii) is related to hedged transactions that have not yet occurred.

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30. RESERVES (CONT'D)

(d) Other reserves

Other reserves consist of share of other reserves of associates as follow:

	Group 2020 RM'000	Group 2019 RM'000
Fair value through other comprehensive income reserve ("FVOCI")	**144,173**	91,290
Other reserves	**20,682**	20,500
	164,855	111,790

FVOCI reserves represent the cumulative gains and losses arising on the revaluation of (i) investment in equity instruments designated as at FVOCI, net of cumulative gain/loss transferred to retained earnings upon disposal; and (ii) investments in debt instruments classified as FVOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to income statements upon disposal or reclassification of these investments.

31. REVENUE

This note provides revenue streams that are generated by the Group and the Company.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Dividend income:					
- Subsidiaries		**-**	-	**123,179**	174,774
- Associate		**-**	-	**115,759**	103,574
		-	-	**238,938**	278,348
Financial assets measured at amortised costs:					
Facilities fees		**11,903**	9,123	**-**	-
Interest income		**74,747**	60,983	**-**	-
Progress revenue:					
- Construction contracts	17(b)(ii)	**-**	541	**-**	-
- Property development (net)	17(b)(i)	**633,320**	682,703	**-**	-
		633,320	683,244	**-**	-
Rental income, net of rental concession provided	2(iii)	**35,782**	42,449	**-**	-
Sale of goods and completed properties		**240,994**	316,365	**-**	-
Services income		**88,765**	95,359	**-**	-
		1,085,511	1,207,523	**238,938**	278,348

31. REVENUE (CONT'D)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue recognition based on:					
Control transfer over time		**659,676**	711,146	**-**	-
Control transfer at a point in time		**315,306**	392,945	**-**	-
Others		**110,529**	103,432	**238,938**	278,348
		1,085,511	1,207,523	**238,938**	278,348

Recognition and measurement

(a) Revenue recognition in relation to performance obligation

Revenue which represents income arising from the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with a customer as and when the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with a customer, the control of the promised goods or services may transfer over time or at a point in time.

Consideration that allocated to each performance obligation is recognised as revenue when customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances a customer-controlled asset; or

- the Group's performance does not create an asset with alternative use and the Group has legal enforceable rights to payment for performance completed to date.

(i) Progress revenue from property development and construction contracts

Revenue from property development and construction contract is recognised upon transferring control of the asset to a purchaser/customer. Based on the terms of the contract and the laws that apply to the contracts in Malaysia, control of the asset is transferred over time to the purchasers/customers of the Group.

In determining the timing of satisfaction of performance obligation for revenue recognition:

(a) the property development subsidiaries recognise revenue over the period of the contracts using the input method based on percentage of completion as disclosed in Note 12(a)(ii). Percentage of completion is reference to the level of completion of the property development where the property development cost incurred to date as a percentage of the estimated total costs of development of the contract.

(b) the construction subsidiary recognises revenue over the periods of the contracts using the output method by reference to the survey of contract work completed to date which is certified by professional consultants.

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31. REVENUE (CONT'D)

Recognition and measurement (Cont'd)

(a) Revenue recognition in relation to performance obligation (Cont'd)

(i) Progress revenue from property development and construction contracts (Cont'd)

In determining the timing of satisfaction of performance obligation for revenue recognition: (Cont'd)

(c) the promised properties are specifically identified in the sale and purchase agreements with its layout plan. The purchaser could enforce its rights to the properties if the property development subsidiaries seek not to sell such properties to the purchaser. The contractual restriction on the property development subsidiaries' ability to direct the properties for another use is substantive and the properties sold to the purchaser do not have an alternative use to the property development subsidiaries. The property development subsidiaries have the legal enforceable right to payment for performance completed to-date. The property development subsidiaries are obligated to complete the construction, transfer to the purchaser the developed properties and enforce their rights to full payment from the purchaser.

In certain circumstances, contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. The transaction price, which include estimating variable consideration and adjusting the consideration for the effects of the time value of money where applicable, shall be allocated to each performance obligation based on the stand-alone selling prices of the properties involved. Stand-alone selling prices are estimated based on expected cost plus margin where the observable selling prices data are not available.

(ii) Fee income

(1) Facilities fee

Facilities fees from capital financing are recognised upon providing the approved credit facilities over the tenure of financing based on an effective interest method.

(2) Services income

Hotel room rental, food and beverages revenue and golf course revenue

Room rental revenue is recognised on a daily basis on customer-occupied rooms. Revenue from sales of food and beverage is recognised when a customer receives and consumes. Such revenue is recorded based on the published rates, net of discounts. Green fees and buggy rental are recognised when the Group renders services to a customer and such customer receives and consumes the benefits. The Group has a present right to payment for the goods and services sold and rendered respectively.

Property management fee

Property management fee is recognised when the Group renders services to a customer and such customer is able to receive and consume such services. The Group has a present right to the payment of the services rendered.

Management and operation of timeshare membership fees

Membership and maintenance fees are recognised over the membership periods based on fees chargeable to members in accordance to the contract terms.

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31. REVENUE (CONT'D)

Recognition and measurement (Cont'd)

(a) Revenue recognition in relation to performance obligation (Cont'd)

(iii) Sale of goods

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when a customer obtains control of that asset which coincides with the delivery of goods and acceptance by the customer.

(iv) Sale of land and completed properties

Proceeds from sale of land and completed properties are recognised when the Group satisfies a performance obligation by transferring a promised asset to a purchaser. An asset is transferred when the purchaser obtains control of that asset.

(b) Revenue recognition not in relation to performance obligation

(i) Dividend income

Dividend income is recognised when the rights to receive dividend payment has been established.

(ii) Interest income

Interest income on capital financing is accounted on an accrual basis using the effective interest method by reference to the periods as stipulated in the loan agreements.

Interest income on advances to subsidiaries is recognised using the effective interest method over the period.

(iii) Rental income

Rental income from operating lease is recognised over the lease term evenly based on the rental chargeable to tenants. Other related income is recognised over the period in which the services being rendered.

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32. COST OF SALES

This note provides a breakdown of the cost of sales which are directly incurred to generate revenue as disclosed in Note 31.

	Note	Group 2020 RM'000	Group 2019 RM'000
Property development costs	12(b)(ii)	**472,163**	483,274
Construction costs		**32,943**	1,155
Cost of services rendered		**34,748**	48,235
Cost of goods sold		**105,350**	216,444
Financial liabilities measured at amortised costs:			
- Facility and commitment fees		**190**	176
- Funding costs		**25,567**	19,619
Property maintenance expenses		**17,794**	18,451
		688,755	787,354

(a) Recognition and measurement

(i) Property development costs

Recognition and measurement of the property development costs are disclosed in Note 12(a)(ii).

(ii) Construction costs

Cost of construction contracts are recognised upon construction work carried out and certified based on actual value work done.

(iii) Cost of services rendered and property maintenance expenses

Cost of services rendered and property maintenance expenses are recognised upon services rendered to the Group. These expenses are measured at their fair value of services received.

(iv) Cost of goods sold

Cost of goods sold is recognised upon delivery of goods to customer.

(v) Facility and commitment fees and funding costs

Fees and funding costs of capital financing are recognised upon facilities provided and interest charged based on the effective interest method.

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32. COST OF SALES (CONT'D)

(b) Other Information

Cost of sales included:

	Note	Group 2020 RM'000	Group 2019 RM'000
Amortisation of software licences	10(b)	**2**	4
Depreciation of property, plant and equipment	6(b)(iii)	**4,875**	4,713
Depreciation of right-of-use assets	11(b)	**79**	101
Interest expense of lease liabilities	11(c)	**-**	5
Write down/(back) of inventories:			
- completed properties held for sale		**936**	-
- finished goods		**(657)**	(592)
- raw materials		**23**	83
Staff costs		**35,604^**	42,976

^ Included in staff costs is an amount of RM1.6 million representing retrenchment costs incurred for the retrenchment exercise in the hotel division.

33. OTHER INCOME

This note outlines income, gains, write backs and reversals that classified under other income.

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Income:					
Financial assets measured at fair value through profit or loss:					
- Funds distribution income		**8,743**	10,236	**182**	1,393
Financial assets measured at amortised cost:					
- Interest income on deposits and placements with licensed financial institutions		**4,860**	7,206	**20**	353
Forfeiture of deposits		**1,794**	1,865	**-**	-
Interest income from subsidiaries		**-**	-	**-**	38
Management fee income		**150**	-	**15,251**	14,519
Rental income		**1,956**	2,048	**-**	-
Rental concession received	11(c)	**7**	-	**-**	-
Sale of oil palm fresh fruit bunches		**66**	111	**-**	-
Sub-total carried forward		**17,576**	21,466	**15,453**	16,303

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33. OTHER INCOME (CONT'D)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Sub-total brought forward		**17,576**	21,466	**15,453**	16,303
Gains, write backs and reversals:					
Fair valuation gain of securities at fair value through profit or loss		**-**	16	**-**	16
Fair valuation gain of:					
- biological assets	18(c)	**-**	107	**-**	-
- short term funds		**3,712**	744	**-**	-
Foreign currency transactions gains		**261**	375	**-**	-
Foreign currency translations gains		**16**	423	**-**	-
Gain of financial assets measured at amortised cost:					
- Fair valuation gain on retention sums		**3,173**	1,141	**-**	-
- Recovery of bad debts of:					
- capital financing		**51**	134	**-**	-
- trade receivables		**3**	-	**-**	-
- other receivables		**10**	-	**-**	-
- Write back of impairment losses on:					
- capital financing:					
- Individual assessment	14(b)(i)	**-**	87	**-**	-
- trade receivables:					
- Collective assessment	15(b)(i)	**2**	28	**-**	-
- Individual assessment	15(b)(i)	**1,287**	2,412	**-**	-
- other receivables:					
- Individual assessment	16(b)(ii)	**405**	160	**-**	-
Gain on disposal of					
- a subsidiary	8(b)(v)	**7,657**	-	**-**	-
- plant and equipment		**421**	616	**-**	-
Gain on redemption of short term funds		**3,850**	101	**41**	-
		20,848	6,344	**41**	16
Others		**5,967**	6,386	**69**	42
		44,391	34,196	**15,563**	16,361

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33. OTHER INCOME (CONT'D)

Recognition and measurement

Other income is recognised as and when a performance obligation is satisfied by transferring an asset. An asset is transferred when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by the customer. Certain income with same nature is recognised on the same principles as disclosed in Note 31, while others are described below:

(i) Funds distribution income is recognised and measured using the effective interest method over time frame of the short term funds.

(ii) Interest income on the deposits and placements with licensed financial institutions is recognised and measured using effective interest method over the tenure of placement.

(iii) Sale of oil palm fresh fruit bunches is recognised when goods are delivered to a customer based on invoice value.

(iv) Gain on fair valuation of investment properties is recognised when an upward revaluation arises evidenced by market information or valuation techniques where applicable. Gains arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

(v) Gain on the disposals of investments properties, property, plant and equipment and securities at fair value through profit or loss are recognised upon the customer obtaining the control of the asset or completion of sale and purchase agreement.

(vi) All other income is recognised on accrual basis based on its fair value transacted.

34. ADMINISTRATIVE EXPENSES

This note outlines administrative expenses by nature.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Establishment related expenses					
Amortisation of software licences	10(b)	**269**	362	**28**	27
Depreciation of:					
- property, plant and equipment	6(b)(iii)	**20,657**	20,076	**226**	204
- right-of-use assets	11(b)	**14,533**	3,846	**1,682**	1,652
Insurance		**1,766**	1,893	**19**	19
Quit rent and assessment		**3,976**	4,403	**-**	-
Rental of equipment		**356**	432	**-**	-
Rental of premises		**1,134**	601	**-**	86
Repair and maintenance		**7,189**	7,977	**167**	119
Utility expenses		**5,055**	10,674	**64**	92
Others		**1,523**	1,645	**17**	9
		56,458	51,909	**2,203**	2,208

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34. ADMINISTRATIVE EXPENSES (CONT'D)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
General administrative expenses				
Advertisement	**128**	261	**30**	129
Auditors' remuneration:				
Statutory audit - current year				
- auditors of the Company	**570**	551	**73**	71
- an affiliate of the Company's auditors	**23**	21	**-**	-
Other audit-related services - current year				
- auditors of the Company	**94**	107	**17**	17
	687	679	**90**	88
Bank charges	**487**	1,938	**8**	8
Communication expenses	**1,492**	1,711	**240**	201
Food and beverage	**536**	884	**132**	208
Sales and service tax expenses	**293**	676	**70**	93
Legal and professional fees	**2,346**	2,727	**275**	237
Printing and stationery	**1,292**	1,933	**249**	357
Repair and maintenance	**1,372**	1,753	**120**	126
Security services	**748**	1,008	**-**	60
Service and registration expenses	**566**	589	**199**	229
Subscription fees	**295**	238	**63**	64
Transport and travelling	**955**	1,701	**5**	98
Others	**3,887**	4,003	**1,172**	1,379
	15,084	20,101	**2,653**	3,277
Personnel expenses				
Salaries, allowances, bonuses and other emoluments (net of over provision in prior year)	**72,075**	76,438	**12,775**	11,665
Pension costs - defined contribution plan	**9,850**	10,823	**1,297**	1,435
Others	**4,989**	8,054	**719**	819
	86,914	95,315	**14,791**	13,919

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34. ADMINISTRATIVE EXPENSES (CONT'D)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Selling and marketing expenses				
Advertisement and promotion	**8,804**	13,064	**-**	-
Commission	**128**	736	**-**	-
Legal fees	**102**	249	**-**	-
Marketing cost	**4,754**	6,523	**-**	-
Others	**600**	945	**-**	-
	14,388	21,517	**-**	-
Total administrative expenses	**172,844**	188,842	**19,647**	19,404

(a) Recognition and measurement

Administrative expenses are recognised on an accrual basis based on their fair values of services rendered and goods received.

(b) Other information

Directors' remuneration and staff costs recognised in cost of sales and administrative expenses are summarised below:

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Directors' remuneration including estimated money value of any other benefits	40(b)	**10,672**	8,515	**6,430**	5,265
Staff costs (excluding Directors' remuneration):					
- salaries, allowances, bonuses and other emoluments (net of over provision)		**91,906**	106,263	**7,129**	7,180
- defined contribution plan		**12,368**	13,470	**606**	766
- social security costs		**248**	305	**43**	46
- other staff related expenses		**7,324**	9,738	**583**	662
		111,846	129,776	**8,361**	8,654

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35. OTHER EXPENSES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Expenses:					
Research and development expenses		**220**	325	**-**	-
Loss, write off and allowance for impairment:					
Fair valuation loss of:					
- biological assets	18(c)	**197**	-	**-**	-
- investment properties	7(c)(i)	**28,271**	1,308	**-**	-
- securities at fair value through profit or loss		**39**	-	**39**	-
Foreign currency transactions loss		**52**	63	**-**	-
Foreign currency translations loss		**613**	137	**-**	-
Impairment loss on property, plant and equipment	6(b)(v)	**18,113**	-	**-**	-
Loss of financial assets measured at amortised cost:					
- Allowance for impairment for:					
- trade receivables					
- Collective assessment	15(b)(i)	**1,721**	328	**-**	-
- Individual assessment	15(b)(i)	**9,038**	1,904	**-**	-
- other receivables					
- Individual assessment	16(b)(ii)	**2,848**	785	**-**	-
Loss on disposal of plant and equipment		**18**	33	**-**	-
Reversal of gain on fair valuation of financial guarantee	8(d)(ii)	**-**	-	**7,800**	-
Write off of financial assets measured at amortised cost:					
- trade receivables		**6**	672	**-**	-
- other receivables		**83**	-	**-**	-
Write off of:					
- expired derivative assets	20(c)(i)	**-**	-	**71,281**	-
- plant and equipment	6(b)(iv)	**56**	141	**-**	1
		61,055	5,371	**79,120**	1
Others		**79**	16	**-**	-
		61,354	5,712	**79,120**	1

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35. OTHER EXPENSES (CONT'D)

Recognition and measurement

(i) Impairment losses are recognised and measured in accordance with the impairment policies of the assets disclosed in Notes 6, 14, 15 and 16.

(ii) Loss on fair valuation of assets is recognised when the market value of the investments carried at fair value are lower than their carrying amount. The loss arising from the changes in fair value of the investments are recognised in the profit or loss in the year in which they arise.

(iii) All other expenses are recognised when the financial obligations of liabilities arise.

36. FINANCE COSTS

This note outlines the interest expenses incurred and amortisation of finance costs recognised.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense of financial liabilities that are measured at amortised cost:					
- amounts due to subsidiaries		**-**	-	**14,939**	19,715
- lease liabilities	11(c)	**1,994**	562	**115**	136
- medium term notes and Sukuk		**18,934**	36,476	**9,920**	14,320
- revolving credits		**14,880**	17,302	**1,520**	1,894
- term borrowings		**31,860**	35,844	**-**	-
- bankers' acceptances and trust receipts		**286**	356	**-**	-
		67,954	90,540	**26,494**	36,065
Other finance costs of financial liabilities that are measured at amortised cost:					
- amortisation of finance cost		**502**	524	**373**	403
- facilities fee		**722**	1,505	**430**	580
- retention sums		**1,346**	1,351	**-**	-
		2,570	3,380	**803**	983
Interest capitalised under:					
- land held for property development	12(b)(i)	**(19,155)**	(21,637)	**-**	-
- property development expenditure	12(b)(ii)	**(4,294)**	(8,408)	**-**	-
		47,075	63,875	**27,297**	37,048

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36. FINANCE COSTS (CONT'D)

Recognition and measurement

Finance costs are recognised and measured using effective interest method of the respective amortised cost instruments.

37. TAX EXPENSE

This note provides an analysis of the income tax provision that shows how the tax expense is affected by non-taxable and non-deductible items; and deferred tax that recognised during the year.

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Income tax					
- Current year provision		**52,431**	67,758	**28**	88
- (Over)/Under provision in respect of prior years		**(3,840)**	(5,761)	**7**	33
Deferred income tax:					
Deferred tax assets	13(b)(i)	**25,757**	(6,179)	**32**	219
Deferred tax liabilities	13(b)(ii)	**(6,532)**	(3,949)	**-**	-
		19,225	(10,128)	**32**	219
		67,816	51,869	**67**	340
Deferred income tax is analysed as follows:					
Origination and reversal of temporary differences		(6,427)	(6,043)	**32**	219
Under/(Over) provision in prior years		25,652	(4,085)	**-**	-
		19,225	(10,128)	**32**	219

(a) Recognition and measurement

Current income tax expense is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Tax rates and tax laws used to measure the tax amount are those enacted or substantively enacted by the end of the year.

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37. TAX EXPENSE (CONT'D)

(b) Tax rates

Income tax expense is calculated based on the respective jurisdictions' statutory income tax rates on the estimated taxable profits for the year as follows:

Country	2020 Tax rate	2019 Tax rate
Malaysia	**24%**	24%
Australia	**30%**	30%
Singapore	**17%**	17%
Vietnam	**20%**	20%

(c) Reconciliation between tax expense and accounting profit before tax

The reconciliation between Malaysian tax expense and the product of accounting profit before tax multiplied by the statutory corporate tax rate of 24% (2019: 24%) is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit before tax ("PBT")	**410,832**	470,528	**128,437**	238,256
Share of results of associates and a joint venture	**(250,958)**	(274,592)	**-**	-
PBT before share of results	**159,874**	195,936	**128,437**	238,256
Tax at Malaysian statutory rate on PBT @ 24%	**38,370**	47,025	**30,825**	57,181
Tax effects of:				
- different tax rates in foreign jurisdictions/other authorities	**32**	54	**-**	-
- non-taxable income	**(13,666)**	(3,998)	**(57,410)**	(67,138)
- non-deductible expenses	**24,400**	22,832	**26,645**	10,264
Utilisation of previously unrecognised deferred tax assets	**(15,383)**	(7,665)	**-**	-
Deferred tax assets not recognised during the year	**12,251**	3,467	**-**	-
Under/(Over) provision of deferred tax in respect of prior years	**25,652**	(4,085)	**-**	-
(Over)/Under provision of income tax in respect of prior years	**(3,840)**	(5,761)	**7**	33
Tax expense	**67,816**	51,869	**67**	340

(d) Other information

Tax expense analysed by business segments are disclosed in Note 3(a).

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38. EARNINGS PER SHARE ("EPS")

This note provides information about the computation of EPS of the Group.

	Group	
	2020	**2019**
Basic		
Profit attributable to Owners of the Company (RM'000)	**339,342**	412,003
Weighted average number of ordinary shares outstanding ('000)	**2,069,183**	2,077,105
Basic EPS (sen)	**16.40**	19.84
Diluted		
Profit attributable to Owners of the Company (RM'000)	**339,342**	412,003
Weighted average number of ordinary shares outstanding ('000)	**2,069,183**	2,077,105
Effect of dilution of assumed conversion of Warrants C 2015/2020 ('000)	**-**	-^
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	**2,069,183**	2,077,105
Diluted EPS (sen)	**16.40**	19.84

Measurement

Basic earnings per share is calculated by dividing profit attributable to Owners (ordinary equity holders) of the Company for the year (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the year.

Diluted earnings per share is calculated by dividing profit attributable to Owners (ordinary equity holders) of the Company for the year, with no dilutive adjustments as required, by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares, i.e. the Company's Warrants C 2015/2020, into ordinary shares. On 22 July 2020, being the expiry date of Warrants C 2015/2020, a total 356,575,952 unexercised Warrants C 2015/2020 have lapsed.

^ The Company's Warrants C 2015/2020 that could potentially dilute basic earnings per share in the future were not included in the calculation of the diluted earnings per share because they are anti-dilutive for the current and previous years.

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39. DIVIDENDS

This note provides dividends declared, paid and proposed by the Company.

	Group and Company				
	Date of payment	Dividend paid in the year ended 31 December		Dividend declared or proposed for the year ended 31 December	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Dividend for the year ended 31 December 2018					
3.0 sen single-tier final dividend	23 May 2019	**-**	62,316	**-**	-
Dividend for the year ended 31 December 2019					
2.0 sen single-tier interim dividend	3 October 2019	**-**	41,544	**-**	41,544
3.0 sen single-tier final dividend	2 July 2020	**62,124**	-	**-**	62,124
Dividend for the year ended 31 December 2020					
1.0 sen single-tier interim dividend	8 October 2020	**20,709**	-	**20,709**	-
Proposed 3.0 sen single-tier final dividend*	11 May 2021	**-**	-	**61,863**	-
		82,833	103,860	**82,572**	103,668

* The Board of Directors recommended a single-tier final dividend of 3.0 sen per ordinary share amounting to approximately RM61.9 million, estimated based on the number of outstanding shares in issue at the end of the year, in respect of the year ended 31 December 2020. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final dividend is fixed on 26 April 2021. The financial statements for the current year do not reflect this proposed final dividend. Such dividend will be accounted for in the Shareholders' equity as an appropriation of retained profits in the year ending 31 December 2021 if approved by the Shareholders.

Recognition and measurement

Dividend distribution to the Owners of the Company is recognised in retained profits under equity in the period which dividend is declared and paid.

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40. RELATED PARTY DISCLOSURES

This note provides information for related party disclosures which outlines how related parties are identified and relevant transactions involved.

(a) Identification of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all Directors of the Group and senior personnel of the Group.

The Group's and the Company's related parties include subsidiaries (Note 8), associates and a joint venture (Note 9), the ultimate holding company, OSK Equity Holdings Sdn. Bhd. and companies related to Directors and major Shareholders of the Company.

(b) Key management personnel's compensation

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Directors:				
Executive				
Other benefits*	**9,100**	6,930	**5,287**	4,170
Estimated money value of benefits-in-kind	**139**	162	**92**	111
Total short-term employee benefits	**9,239**	7,092	**5,379**	4,281
Post-employment benefits				
- Defined contribution plan	**1,073**	1,108	**691**	669
Total compensation for Executive Directors	**10,312**	8,200	**6,070**	4,950

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40. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel's compensation (Cont'd)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Directors: (Cont'd)					
Non-Executive					
Fees - current year		**280**	280	**280**	280
Other benefits*		**80**	35	**80**	35
Total compensation for Non-Executive Directors		**360**	315	**360**	315
Total compensation for Directors	34(b)	**10,672**	8,515	**6,430**	5,265
Other key management personnel:					
Short-term employee benefits		**9,837**	9,082	**2,130**	1,998
Estimated money value of benefits-in-kind		**119**	199	**25**	21
Total short-term employee benefits		**9,956**	9,281	**2,155**	2,019
Post-employment benefits					
- Defined contribution plan		**1,238**	1,336	**316**	325
Total compensation for other key management		**11,194**	10,617	**2,471**	2,344
Total compensation for key management		**21,866**	19,132	**8,901**	7,609

* Other benefits included salaries, bonus, allowances, social security costs and employment insurance scheme.

40. RELATED PARTY DISCLOSURES (CONT'D)

(c) Directors' remuneration

The Directors' remuneration included in administrative expenses as disclosed in Note 40(b) are paid/payable to the following Directors:

	Directors' remuneration received and receivable from							
	Company				Certain Subsidiaries			Group
	Fee payable RM'000	Other benefits* RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Other benefits* RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Total RM'000
2020								
Executive Directors								
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	2,382	28	2,410	1,982	16	1,998	4,408
Ong Ju Yan	-	2,678	29	2,707	-	-	-	2,707
Ong Ju Xing	-	-	-	-	2,213	31	2,244	2,244
Dato' Saiful Bahri bin Zainuddin	-	918	35	953	-	-	-	953
Total Executive Directors' Remuneration	-	5,978	92	6,070	4,195	47	4,242	10,312
Non-Executive Directors								
Leong Keng Yuen	75	18	-	93	-	-	-	93
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	70	22	-	92	-	-	-	92
Dato' Thanarajasingam Subramaniam	70	22	-	92	-	-	-	92
Ong Yee Ching	65	18	-	83	-	-	-	83
Total Non-Executive Directors' Remuneration	280	80	-	360	-	-	-	360
Total Directors' Remuneration	280	6,058	92	6,430	4,195	47	4,242	10,672

* Other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme.

40. RELATED PARTY DISCLOSURES (CONT'D)

(c) Directors' remuneration (Cont'd)

The Directors' remuneration included in administrative expenses as disclosed in Note 40(b) are paid/payable to the following Directors: (Cont'd)

	Directors' remuneration received and receivable from							
	Company				Certain Subsidiaries			Group
	Fee payable RM'000	Other benefits* RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Other benefits* RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Total RM'000
2019								
Executive Directors								
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	1,758	41	1,799	1,376	21	1,397	3,196
Ong Ju Yan	-	2,241	35	2,276	-	-	-	2,276
Ong Ju Xing	-	-	-	-	1,823	30	1,853	1,853
Dato' Saiful Bahri bin Zainuddin	-	840	35	875	-	-	-	875
Total Executive Directors' Remuneration	-	4,839	111	4,950	3,199	51	3,250	8,200
Non-Executive Directors								
Leong Keng Yuen	75	9	-	84	-	-	-	84
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	70	8	-	78	-	-	-	78
Dato' Thanarajasingam Subramaniam	70	9	-	79	-	-	-	79
Ong Yee Ching	65	9	-	74	-	-	-	74
Total Non-Executive Directors' Remuneration	280	35	-	315	-	-	-	315
Total Directors' Remuneration	280	4,874	111	5,265	3,199	51	3,250	8,515

* Other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme.

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40. RELATED PARTY DISCLOSURES (CONT'D)

(d) Significant transactions and balances with subsidiaries, associates and a joint venture

Relationship between the Company and its subsidiaries, associates and a joint venture are disclosed in Notes 8 and 9 respectively. Significant transactions with subsidiaries, associates and a joint venture during the year are as follows:

Transactions and balances with associates and a joint venture	Group			
	Income/(Expenses)		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
RHB Bank Berhad group of companies				
RHB Bank Berhad				
Interest income	**288**	575	**-**	-
Office rental income	**844**	844	**-**	-
Interest expense	**(16,499)**	(22,748)	**-**	-
Bank balances and short term funds	**-**	-	**16,602**	83,146
Borrowings	**-**	-	**(194,902)**	(195,490)
Medium term notes	**-**	-	**(191,825)**	(266,206)
RHB Asset Management Sdn. Bhd.				
Funds distribution income	**5,066**	8,905	**-**	-
Short term funds	**-**	-	**349,850**	427,665
RHB Islamic Bank Berhad				
Interest expense	**(10,046)**	(12,373)	**-**	-
Bank balance and short term fund	**-**	-	**782**	768
Sukuk	**-**	-	**(262,971)**	(262,971)
Agile PJD Development Sdn. Bhd.				
Rental income	**298**	455	**-**	-

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40. RELATED PARTY DISCLOSURES (CONT'D)

(d) Significant transactions and balances with subsidiaries, associates and a joint venture (Cont'd)

Relationship between the Company and its subsidiaries, associates and a joint venture are disclosed in Notes 8 and 9 respectively. Significant transactions with subsidiaries, associates and a joint venture during the year are as follows: (Cont'd)

Transactions and balances with subsidiaries	Company			
	Income/(Expenses)		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
OSK Capital Sdn. Bhd.				
Dividend income	-	17,000	-	-
Management fee income	3,725	3,452	-	-
OSK I CM Sdn. Bhd.				
Administrative expense	(437)	(576)	-	-
Interest expense	(14,437)	(19,695)	-	-
Amount due to a subsidiary	-	-	(410,365)	(389,586)
OSK Management Services Sdn. Bhd.				
Management fee expense	(1,027)	(1,104)	-	-
OSK Realty Sdn. Bhd.				
Office rental expense	(38)	(1,708)	-	-
OSK Property Holdings Berhad group of companies				
OSK Property Holdings Berhad				
Dividend income	46,661	8,641	-	-
Management fee income from:				
OSK Property Holdings Berhad	-	207	-	-
Atria Shopping Gallery Sdn. Bhd.	75	423	-	-
Aspect Synergy Sdn. Bhd.	3,578	1,226	-	-
OSK Properties Sdn. Bhd.	1,269	458	-	-
Perspektif Vista Sdn. Bhd.	202	171	-	-
Potensi Rajawali Sdn. Bhd.	542	430	-	-
Wawasan Rajawali Sdn. Bhd.	228	229	-	-

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40. RELATED PARTY DISCLOSURES (CONT'D)

(d) Significant transactions and balances with subsidiaries, associates and a joint venture (Cont'd)

Relationship between the Company and its subsidiaries, associates and a joint venture are disclosed in Notes 8 and 9 respectively. Significant transactions with subsidiaries, associates and a joint venture during the year are as follows: (Cont'd)

	Company			
Transactions and balances with subsidiaries (Cont'd)	Income/(Expenses)		Amount due from/(to)	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
PJ Development Holdings Berhad group of companies				
PJ Development Holdings Berhad				
Dividend income	**76,518**	149,133	**-**	-
Management fee income from:				
PJ Development Holdings Berhad	**69**	616	**-**	-
Olympic Cable Company Sdn. Bhd.	**1,827**	895	**-**	-
OSK Construction Sdn. Bhd.	**139**	812	**-**	-
PJD Central Sdn. Bhd.	**927**	1,018	**-**	-
PJD Eastern Land Sdn. Bhd.	**326**	864	**-**	-
PJD Realty Sdn. Bhd.	**547**	1,186	**-**	-
PJD Regency Sdn. Bhd.	**583**	225	**-**	-
PJD Sejahtera Sdn. Bhd.	**219**	732	**-**	-
SGI Vacation Club Berhad	**38**	225	**-**	-
Transactions and balances with an associated group of companies				
RHB Bank Berhad group of companies				
RHB Bank Berhad				
Dividend income	**115,759**	103,574	**-**	-
Interest expense	**(9,455)**	(14,321)	**-**	-
Bank balances	**-**	-	**1,239**	716
Medium term notes	**-**	-	**(191,825)**	(266,206)
RHB Asset Management Sdn. Bhd.				
Funds distribution income	**182**	1,393	**-**	-
Short term funds	**-**	-	**9,743**	14,088

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40. RELATED PARTY DISCLOSURES (CONT'D)

(e) Significant transactions and balances with other related parties

Other related parties are the companies related to Directors or major Shareholders of the Company:

(i) Dindings Consolidated Sdn. Bhd. ("DCSB")

The spouse and daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa are directors of DCSB. Tan Sri Ong Leong Huat @ Wong Joo Hwa, his spouse and children collectively owned 100% of DCSB.

	Group			
	Income/(Expenses)		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Dindings Consolidated Sdn. Bhd. group of companies				
Dindings Consolidated Sdn. Bhd.				
Construction revenue	**-**	315	**-**	-
Office rental income	**648**	648	**-**	-
DC Services Sdn. Bhd.				
Insurance premium expense	**(729)**	(792)	**-**	-
Dindings Design Sdn. Bhd.				
Renovation costs	**(719)**	(18,068)	**-**	-
Dindings Life Agency Sdn. Bhd.				
Insurance premium expense	**(363)**	(554)	**-**	-
Sincere Source Sdn. Bhd.				
Insurance premium expense	**(1,845)**	(1,774)	**-**	-

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40. RELATED PARTY DISCLOSURES (CONT'D)

(e) Significant transactions and balances with other related parties (Cont'd)

Other related parties are the companies related to Directors or major Shareholders of the Company: (Cont'd)

(ii) Nova Terrace Sdn. Bhd. ("NTSB")

Tan Sri Ong Leong Huat @ Wong Joo Hwa, his spouse and Ong Ju Xing are directors of NTSB. J.B. Properties Sdn. Bhd. ("JBPSB") is the holding company of NTSB. The spouse of Tan Sri Ong Leong Huat @ Wong Joo Hwa and Ong Ju Xing are major shareholders of JBPSB.

	Group			
	Income		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Project management fee income	**127**	336	**-**	-

(iii) Raslan Loong, Shen & Eow ("RLSE")

The son-in-law of Tan Sri Ong Leong Huat @ Wong Joo Hwa is a partner of RLSE.

	Group			
	Expenses		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Legal fee expenses	**(781)**	(1,942)	**-**	-

(iv) Laju Ceria Sdn. Bhd. ("LCSB")

The daughter-in-law of Tan Sri Ong Leong Huat @ Wong Joo Hwa is a shareholder of LCSB.

	Group			
	Income		Amount due from/(to)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Rental income	**313**	124	**-**	-

(f) Ultimate holding company

The Company has not incurred any related party transactions or owing to any balances with OSK Equity Holdings Sdn. Bhd., the Company's ultimate holding company during the year.

The Directors are of the view that the above transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties.

41. COMMITMENTS

This note outlines financial commitment disclosures of the Group.

(a) Operating leases commitments

This note provides information on operating lease commitments for leases where the Group is a lessor. The information for leases where the Group is a lessee are disclosed in Note 11.

The Group has entered into non-cancellable lease arrangements on certain properties classified under (i) property, plant and equipment; and (ii) investment properties. The Group has aggregated future minimum lease receivables as follows:

	Group	
	2020 RM'000	2019 RM'000
Not later than 1 year	**20,488**	28,422
Later than 1 year and not later than 5 years	**17,572**	29,756
Later than 5 years	**31,223**	33,749
	69,283	91,927
Operating leases commitments analysed by business segments:		
Property	**68,892**	91,507
Hospitality	**391**	420
	69,283	91,927

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41. COMMITMENTS (CONT'D)

This note outlines financial commitment disclosures of the Group. (Cont'd)

(b) Capital commitments

	Group	
	2020 RM'000	**2019 RM'000**
Contracted but not provided for:		
- Acquisition of land held for property development	**135,643**	243,943
- Acquisition of office equipment and software licences	**776**	1,121
- Acquisition of property, plant and equipment	**1,440**	3,200
- Factory expansion	**124**	1,241
- Investment property under construction	**14,500**	-
- Professional fee	**887**	-
- Renovation costs	**2,570**	1,980
	155,940	251,485
Capital commitments analysed by business segments:		
Property	**150,143**	243,943
Industries	**2,179**	5,306
Hospitality	**3,618**	2,236
	155,940	251,485

(c) Recognition and measurement

The Group and the Company have not recognised the contracted commitments, but disclosed its existence in the financial statements. Commitment is measured at the transacted price less amount provided for in the financial statements.

42. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities at the end of the year.

Recognition and measurement

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

43. SIGNIFICANT EVENTS DURING THE YEAR

Significant events consist of the changes in composition of the Group during the year as disclosed in Note 8(b).

44. MATERIAL SUBSEQUENT EVENTS

There were no material subsequent events from the end of the year and ending on the date of this report.

45. MATERIAL LITIGATIONS

Since the date of the last annual report, the Group was not engaged in any material litigation, claims nor arbitration either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

46. FINANCIAL REPORTING STANDARDS

This note provides an overview of the current and future applicable accounting standards applicable to the Group and their financial implications upon adoption of such standards.

(a) The Group and the Company adopted the following amendments to published standards and interpretation to the existing MFRSs and standard issued by MASB that are applicable and effective for the Group's and the Company's financial year beginning on 1 January 2020:

(i) Revised Conceptual Framework

The following Standards have been amended to update the references and quotations in these Standards according to the revised Conceptual Framework:

Amendments to:

MFRS 2	Share-Based Payment
MFRS 3	Business Combinations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 134	Interim Financial Reporting
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Intangible Assets - Web Site Costs

46. FINANCIAL REPORTING STANDARDS (CONT'D)

(a) The Group and the Company adopted the following amendments to published standards and interpretation to the existing MFRSs and standard issued by MASB that are applicable and effective for the Group's and the Company's financial year beginning on 1 January 2020: (Cont'd)

(ii) Amendments to MFRS 3 'Business Combination'

These amendments clarify the definition of a business to assist an entity to determine whether a transaction should be accounted for as a business combination or as an asset acquisition where an acquirer does not recognise goodwill in an asset acquisition.

(iii) Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors'

These amendments clarify the definition of 'material' and to align the definition used in the revised Conceptual Framework and the standards themselves. The definition of 'material' is refined by including 'obscuring information' to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements.

The adoption of these amendments does not have any material financial impact to the Group.

(b) The Group has early adopted the following amendment to published standards that is applicable to the Group:

Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions

As a practical expedient, a lessee may elect not to assess whether a rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. This applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(iii) there is no substantive change to other terms and conditions of the lease.

The Group has early adopted the Amendment to MFRS 16 with election to apply the practical expedient as mentioned above to all rent concession received that meet the conditions as stated above. The Group recognised rental concession received in profit or loss as disclosed in Note 33.

46. FINANCIAL REPORTING STANDARDS (CONT'D)

(c) The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for the current financial year:

(i) <u>For financial year beginning on/after 1 January 2022</u>

(1) Amendments to MFRS 3 'Business Combination - Reference to the Conceptual Framework'

These amendments are applicable to business combinations for which the acquisition date is on or after 1 January 2022.

These amendments replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to 2018 Conceptual Framework for Financial Reporting; and clarify that the acquirer shall account for contingent liabilities and levy in accordance to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and IC Interpretation 21 'Levies' respectively.

Such amendments also define a contingent asset as 'a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity'. The acquirer shall not recognise a contingent asset at the acquisition date.

(2) Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract

These amendments specify the costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The costs that relate directly to a contract consist the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(3) Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'

These amendments prohibit an entity from deducting net proceeds of any items produced while bring the asset to that location and condition, including samples produced when testing equipment, against costs of property, plant and equipment. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of MFRS 102 'Inventories'.

These amendments clarify that directly attributable costs include costs of testing whether the asset is functioning properly (i.e. assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes).

46. FINANCIAL REPORTING STANDARDS (CONT'D)

(c) The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for the current financial year: (Cont'd)

(i) For financial year beginning on/after 1 January 2022 (Cont'd)

(4) Annual Improvements to MFRS Standards 2018-2020 Cycle

The annual improvements cover minor amendments to:

MFRS 9 'Financial Instruments' requires an entity to derecognise original financial liability and recognise a new financial liability when there is:

(i) an exchange between an existing borrower and lender of debt instruments with substantially different terms; or
(ii) a substantial modification of the terms of an existing financial liability or a part of it.

MFRS 9 specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ("10 per cent test").

The amendment of MFRS 9 clarify to include any fees paid net of any fees received in the 10 per cent test.

MFRS 141 'Agriculture' has been amended to remove the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The adoption of these amendments does not expect to have material financial impact to the Group.

(ii) For financial year beginning on/after 1 January 2023

Amendments to MFRS 101 'Presentation of Financial Statements'

These amendments clarify the requirements for the classification of liabilities as current or non-current. The amendments aim to promote consistency in applying the requirements for the debt and other liabilities with an uncertain settlement date.

The classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. A liability to be classified as a current liability when an entity does not has the right to defer its settlement for at least twelve months.

The adoption of these amendments does not expect to have material financial impact to the Group.

46. FINANCIAL REPORTING STANDARDS (CONT'D)

(c) The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for the current financial year: (Cont'd)

(iii) Standard deferred to a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture and gains and losses resulting from transactions involving the sale or contribution to an associate or a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by MASB. Earlier application is permitted.

The adoption of these amendments does not expect to have material financial impact to the Group.

(iv) Interest Rate Benchmark Reform

On 31 October 2019, the MASB issued phase 1 of Interest Rate Benchmark Reform (Amendments to MFRS 9 'Financial Instruments', MFRS 139 'Financial Instruments: Recognition and Measurement' and MFRS 7 'Financial Instruments: Disclosures'). The interest rate benchmark reform amends some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In applying the amendments, entity would continue to apply those hedge accounting requirements assuming that the interest rate benchmark associated with the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform. The phase 1 is effective for financial year beginning on/after 1 January 2020.

On 30 September 2020, the MASB issued phase 2 of Interest Rate Benchmark Reform MFRS 9, MFRS 139, MFRS 7, MFRS 4 'Insurance Contracts' and MFRS 16 'Leases'. The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship. The phase 2 is effective for financial year beginning on/after 1 January 2021.

In Malaysia, the main country that the Group operated, is in the process of identifying the alternative risk free rates ("RFRs"). Due to the uncertainties on the amount and timing of cash flows indexed to IBOR and uncertainties on the structure of interest rates market, the Group has applied the relief introduced by the MFRS 9 to assume the benchmark on which the hedged cash flows are based in not altered, as long as uncertainty remains.

NOTES TO
THE FINANCIAL STATEMENTS
31 DECEMBER 2020

46. FINANCIAL REPORTING STANDARDS (CONT'D)

(c) The following are standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group but not yet effective for the current financial year: (Cont'd)

(iv) Interest Rate Benchmark Reform (Cont'd)

The Group's treasury management centre is monitoring the development of the interest rate reform in the country and managing the Group's KLIBOR transition plan. The greatest change will be amendments to the contractual terms of the KLIBOR referenced floating rate debt and the associated swap and the corresponding update of the hedge designation.

The impact of the adoption of this amendment will be assessed once the uncertainty are addressed. Nevertheless, the interest rate benchmark reform does not expect to have material financial impact to the Group.

(d) Financial reporting updates

(i) FRIC Agenda Decision - Over time transfer of constructed good (IAS 23)

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 'Borrowing Costs' and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:
- Any receivable and contract asset that the entity recognises is not a qualifying asset.
- Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of assessing the impact of implementing this change in accounting policy. The implementation results would be reported during the year ending 31 December 2021.

(ii) IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ('IFRIC') issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the year.

LIST OF GROUP'S
TOP 10 PROPERTIES

AS AT 31 DECEMBER 2020

	ADDRESS / LOCATION	DESCRIPTION / EXISTING USE	TENURE	APPROXIMATE AREA	DATE OF ACQUISITION	APPROXIMATE AGE OF BUILDING	CARRYING VALUE RM'000
1.	Sungai Petani, Kedah Darul Aman	Property development	Freehold	755.56 acres	29 January 1996	N/A	452,656
2.	SS 22 Damansara Jaya, Petaling Jaya, Selangor Darul Ehsan	Shopping mall and car park	Freehold	5.47 acres	6 July 2007	6 years	373,800
3.	Jalan Ampang, Kuala Lumpur	Property development	Freehold	1.40 acres	30 October 1996	N/A	284,489
4.	Iringan Bayu, Mukim Rantau, Daerah Seremban, Negeri Sembilan Darul Khusus	Property development	Freehold	354.36 acres	8 January 2016	N/A	271,028
5.	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Property development	Freehold	27.77 acres	27 November 2020	N/A	158,566
6.	Plaza OSK, Jalan Ampang, Kuala Lumpur	Office building	Freehold	1.32 acres	30 December 1993	36 years	150,978
7.	Mukim Setapak, Kuala Lumpur	Property development	Freehold	10.07 acres	23 April 2018	N/A	130,823
8.	Damai Laut Country Resort, Mukim of Lumut, District of Dindings, Perak Darul Ridzuan	Resort	Freehold and leasehold (expiring on 8 June 2094)	345.38 acres	1990	N/A	88,955
9.	Swiss-Garden Resort & Spa Kuantan Lot PT 7566 Mukim Sungai Karang Daerah Kuantan Pahang Darul Makmur	Resort	Freehold	5.75 acres	3 March 1993	21 years	56,738
10.	Mukim Cheras, District of Hulu Langat, Selangor Darul Ehsan	Property development	Freehold	5.52 acres	2 August 2007	N/A	54,939

STATEMENT OF **DIRECTORS' INTERESTS**

AS AT 26 FEBRUARY 2021

Name of Directors	Number of Ordinary Shares Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	135,685,978	6.58	1,007,612,434[1]	48.86
2. Ong Ju Yan	24,737,550	1.20	2,667,701[2]	0.13
3. Ong Ju Xing	22,084,395	1.07	1,541,600[3]	0.07
4. Ong Yee Ching	12,897,189	0.63	288,281[2]	0.01
5. Leong Keng Yuen	318,608	0.02	221,869[4]	0.01

Shareholdings of Director In Related Corporations

Name of Director & Related Corporations	Number of Ordinary Shares Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in:				
OSK Equity Holdings Sdn. Bhd.	99,999	99.99	-	-
PJ Development Holdings Berhad	-	-	510,118,793[5]	97.22
OSK Property Holdings Berhad	-	-	345,639,965[5]	99.93

Notes:

[1] Deemed interested pursuant to Section 8 of the Companies Act 2016 ("CA 2016") by virtue of his substantial shareholdings in Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA 2016 in relation to interests held by his spouse and children, other than Ong Ju Yan, Ong Ju Xing and Ong Yee Ching whose interests have been disclosed herein.

[2] Disclosure made pursuant to Section 59(11)(c) of CA 2016 in relation to interests held by his/ her spouse.

[3] Deemed interested pursuant to Section 8 of CA 2016 by virtue of his substantial shareholdings in Petit Petata Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA 2016 in relation to interests held by his spouse.

[4] Deemed interested pursuant to Section 8 of CA 2016 by virtue of his substantial shareholdings in Wing Foong Holdings Sdn. Bhd. and disclosure made pursuant to Section 59(11)(c) of CA 2016 in relation to interests held by his spouse.

[5] Deemed interested pursuant to Section 8 of CA 2016 by virtue of his substantial shareholdings in OSK Holdings Berhad.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than the above, none of the other Directors in office has any interest in the shares of the Company and its related corporations as at 26 February 2021.

STATEMENT OF SHAREHOLDINGS
AS AT 26 FEBRUARY 2021

Issued Share Capital	:	2,062,103,980 shares (excluding Treasury Shares of 33,197,453)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Holdings	Percentage of Issued Capital
1 – 99	3,416	14.58	136,624	0.01
100 – 1,000	2,136	9.11	822,762	0.04
1,001 – 10,000	11,333	48.36	52,102,323	2.53
10,001 – 100,000	5,613	23.95	164,845,604	7.99
100,001 – 103,105,198*	933	3.98	791,286,562	38.37
103,105,199 and above**	4	0.02	1,052,910,105	51.06
	23,435	100.00	2,062,103,980	100.00

Notes:

* Less than 5% of the issued holdings
** 5% and above of the issued holdings

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 144 of the Companies Act 2016, the substantial shareholders of the Company are as follows:

	Number of Ordinary Shares			
Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	135,685,978	6.58	951,603,977[1]	46.15
2. Puan Sri Khor Chai Moi	29,456,882	1.43	382,942,504[2]	18.57
3. OSK Equity Holdings Sdn. Bhd.	568,661,473	27.58	-	-
4. Land Management Sdn. Bhd.	219,518,685	10.65	-	-
5. Dindings Consolidated Sdn. Bhd.	163,423,819	7.93	-	-

Notes:

[1] Deemed interested by virtue of his substantial shareholdings in OSK Equity Holdings Sdn. Bhd., Land Management Sdn. Bhd. and Dindings Consolidated Sdn. Bhd.

[2] Deemed interested by virtue of her substantial shareholdings in Land Management Sdn. Bhd. and Dindings Consolidated Sdn. Bhd.

STATEMENT OF
SHAREHOLDINGS
AS AT 26 FEBRUARY 2021

30 LARGEST REGISTERED HOLDERS

Name		No. of Ordinary Shares	%
1.	OSK Equity Holdings Sdn. Bhd.	546,581,623	26.51
2.	Land Management Sdn. Bhd.	219,518,685	10.65
3.	Dindings Consolidated Sdn. Bhd.	163,423,819	7.93
4.	Tan Sri Ong Leong Huat @ Wong Joo Hwa	123,385,978	5.98
5.	Hwang Capital (Malaysia) Sdn. Bhd.	37,000,000	1.79
6.	Puan Sri Khor Chai Moi	29,456,882	1.43
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (NOMURA)	27,600,000	1.34
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (CIMB PRIN)	24,395,300	1.18
9.	RHB Nominees (Tempatan) Sdn. Bhd. - OSK Equity Holdings Sdn. Bhd.	22,079,850	1.07
10.	Dato' Nik Mohamed Din bin Datuk Nik Yusoff	21,000,000	1.02
11.	Ong Ju Yan	19,737,550	0.96
12.	Khor Chei Yong	19,150,000	0.93
13.	Ong Yin Suen	15,489,876	0.75
14.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - Exempt AN for Deutsche Bank AG Singapore (MAYBANK SG PWM)	12,742,189	0.62
15.	Cartaban Nominees (Tempatan) Sdn. Bhd. - Exempt AN for LGT Bank AG (Local)	12,300,000	0.60
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (PRINCIPAL EQITS)	11,985,300	0.58
17.	Nora Ee Siong Chee	11,835,937	0.57
18.	Ong Yee Min	11,061,699	0.54
19.	Ong Ju Xing	10,497,911	0.51
20.	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Private Wealth Management for Ong Ju Xing (PW-M01123) (424425)	10,000,000	0.48

STATEMENT OF
SHAREHOLDINGS
AS AT 26 FEBRUARY 2021

30 LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Ordinary Shares	%
21. Tan Yu Yeh	8,997,200	0.44
22. Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Dimensional Emerging Markets Value Fund	8,968,105	0.43
23. Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AMUNDI)	8,682,100	0.42
24. Amanahraya Trustees Berhad - Public SmallCap Fund	8,532,400	0.41
25. Cartaban Nominees (Asing) Sdn. Bhd. - SSBT Fund J724 for SPDR S&P Emerging Markets ETF	8,337,342	0.40
26. Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	8,044,867	0.39
27. Toh Ean Hai	7,300,000	0.35
28. RHB Nominees (Tempatan) Sdn. Bhd. - Wong Chong Shee	7,175,450	0.35
29. Chinchoo Investment Sdn. Berhad	6,489,690	0.31
30. Lock Kai Sang	5,858,175	0.28

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 31st Annual General Meeting of the Company will be held fully virtual via Remote Participation and Voting at the broadcast venue at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 21 April 2021 at 10:00 a.m. to transact the following business:

AGENDA

1.	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2020 and the Reports of Directors and Auditors thereon.	**[Please refer to Explanatory Note (a)]**
2.	To sanction the declaration of a single-tier final dividend of 3.0 sen per share in respect of the financial year ended 31 December 2020.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees of RM280,000.00 to the Non-Executive Directors for the financial year ended 31 December 2020.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' fees to the Non-Executive Directors for the financial year ending 31 December 2021 until the next Annual General Meeting of the Company.	**Ordinary Resolution 3**
5.	To approve the payment of Directors' benefits up to an amount of RM120,000.00 to the Non-Executive Directors of the Company for the period from 22 April 2021 until the next Annual General Meeting of the Company.	**Ordinary Resolution 4**
6.	To re-elect the following Directors who retire by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers themselves for re-election:	
	(a) Mr. Ong Ju Xing	**Ordinary Resolution 5**
	(b) Dato' Saiful Bahri bin Zainuddin	**Ordinary Resolution 6**
	(c) Mr. Leong Keng Yuen	**Ordinary Resolution 7**
7.	To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.	**Ordinary Resolution 8**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

NOTICE OF
ANNUAL GENERAL MEETING

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **Ordinary Resolution 9**

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/ regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **Ordinary Resolution 10**

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/ or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Part A of the Circular to Shareholders dated 23 March 2021 provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;

THAT such approval shall continue to be in force until the earlier of:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting;

(b) the expiration of the period within which the next Annual General Meeting is 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) such approval is revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting;

AND 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 to give effect to the Proposed Shareholders' Mandate."

NOTICE OF
ANNUAL GENERAL MEETING

10. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 11**

"THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/ or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad as the Directors may deem fit and expedient in the interest of the Company, provided that:

(a) the aggregate number of ordinary shares to be purchased and/ or held by the Company shall not exceed 10 percent (10%) of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase(s);

(b) the maximum fund to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the aggregate of the retained profits of the Company based on the latest Audited Financial Statements and/ or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(c) the authority shall commence upon the passing of this Resolution and shall continue to be in force until:

    (i) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which this Resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the next Annual General Meeting, the authority is renewed, either unconditionally or subject to conditions;

    (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

    (iii) revoked or varied by an ordinary resolution passed by the members of the Company in a general meeting;

    whichever occurs first;

NOTICE OF
ANNUAL GENERAL MEETING

AND THAT upon completion of the purchase(s) by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

(a) to cancel all the ordinary shares so purchased;

(b) to retain the ordinary shares so purchased in treasury for distribution as dividend to the members and/ or resell on the market of Bursa Malaysia Securities Berhad and/ or transfer under an employees' share scheme (if any) and/ or transfer as purchase consideration;

(c) to retain part thereof as treasury shares and cancel the remainder; and/ or

in any other manner as prescribed by the Companies Act 2016, rules, regulations and orders made pursuant to the Companies Act 2016 and the requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/ or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

11. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the single-tier final dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2020, if approved by the shareholders at the 31st Annual General Meeting, will be payable on 11 May 2021 to shareholders whose names appear in the Register of Members or Record of Depositors on 26 April 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositor's securities account before 12:30 p.m. on 22 April 2021 in respect of shares which are exempted from mandatory deposit);

(b) Shares transferred into the Depositor's securities account before 4:30 p.m. on 26 April 2021 in respect of ordinary transfers); and

(c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689/ SSM PC NO.: 201908002648)
CHIN MUN YEE (MAICSA 7019243/ SSM PC NO.: 201908002785)
Company Secretaries

Kuala Lumpur
23 March 2021

NOTICE OF
ANNUAL GENERAL MEETING

NOTES:

1. Broadcast Venue

(a) As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/. Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.

(b) The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 71 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

With the RPV facilities, members and proxies are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members and proxies shall communicate with the broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The Chairman and Board of Directors shall endeavour to respond to all questions and/ or remarks submitted by members and proxies during the Meeting.

2. Appointment of Proxy

(a) In respect of deposited securities, only members whose names appear in the Register of Members and Record of Depositors on 13 April 2021 shall be eligible to attend, speak and vote at the Meeting.

(b) A member entitled to attend, speak and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

(c) A proxy may but does not need to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(d) The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation under its common seal, or the hand of its officer or attorney duly authorised.

(e) Where a Member of the Company is an Authorised Nominee, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares standing in credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

NOTICE OF
ANNUAL GENERAL MEETING

3. Lodgement of Form of Proxy

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than 48 hours before the time for holding the Meeting or any adjournment thereof through either one of the following avenues:

(a) In Hardcopy Form of Proxy
- (i) To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or
- (ii) To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to info@sshsb.com.my.

(b) By Electronic Form of Proxy
- (i) To be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Notes available for download at http://www.oskgroup.com/agm/ for further details.

4. Explanatory Notes on Ordinary and Special Business

(a) Item 1 of the Agenda

This Agenda item is meant for discussion only. The provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements, hence, this Agenda item is not put forward for voting.

(b) Ordinary Resolutions 2, 3 and 4 – Directors' Fees and Benefits Payable

Based on the annual review of the Directors' Remuneration conducted by Nomination and Remuneration Committee, the Board of Directors had at its meeting held on 26 February 2021 agreed that the proposed Directors' fees and benefits payable to the Non-Executive Directors are as follows:

Directors' Fees

	Chairman	**Member**
Board of Directors	-	RM65,000
Audit Committee	RM10,000	-
Risk Management Committee	RM5,000	-
Nomination and Remuneration Committee	RM5,000	-

Directors' Benefits

The proposed Directors' benefits payable comprises meeting allowance and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee meetings from 22 April 2021, being the day after the 31st Annual General Meeting until the next Annual General Meeting and other benefits.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on this Resolution concerning their own remuneration at the 31st Annual General Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

(c) Ordinary Resolutions 5, 6 and 7 – Re-election of Directors

The performance of each Director who is recommended for re-election has been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director, Mr. Leong Keng Yuen). The Nomination and Remuneration Committee and the Board are satisfied with the performance and effectiveness of Mr. Ong Ju Xing, Dato' Saiful Bahri bin Zainuddin and Mr. Leong Keng Yuen who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 31st Annual General Meeting. Their profiles are set out in the Annual Report 2020.

(d) Ordinary Resolution 9 – Authority to Issue Shares pursuant to the Companies Act 2016

This is the renewal of the mandate obtained from the members at the last Annual General Meeting held on 12 June 2020 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/ or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(e) Ordinary Resolution 10 – Proposed Shareholders' Mandate

The proposed resolution, if passed, will empower the Company and its subsidiaries ("OSK Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for OSK Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company.

Please refer to Part A of the Circular to Shareholders dated 23 March 2021 for further information.

(f) Ordinary Resolution 11 – Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will allow the Company to purchase or hold its own ordinary shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company.

Based on the Audited Financial Statements for the year ended 31 December 2020, the Company's retained profits amounted to RM1,148 million.

Please refer to Part B of the Circular to the Shareholders dated 23 March 2021 for further information.

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OSK HOLDINGS BERHAD

199001015406 (207075-U)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Ordinary Shares held	
CDS Account No.	
Telephone No.	
Email Address	

*I/ We (Full Name), ____

bearing *NRIC No./ Passport No./ Registration No. ______________________________

of (Full Address) ____

____

being *a member/ members of OSK Holdings Berhad [Registration No. 199001015406 (207075-U)] (the "Company") hereby appoint:

First Proxy "A"

Full Name (in Block Capital)	NRIC No./ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

*and

Second Proxy "B"

Full Name (in Block Capital)	NRIC No./ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			
			100%

or failing him/ her, *THE CHAIRMAN OF THE MEETING as *my/ our proxy(ies) to participate, speak and vote for *me/ us and on *my/ our behalf at the 31st Annual General Meeting of the Company to be held fully virtual via Remote Participation and Voting at the broadcast venue at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 21 April 2021 at 10:00 a.m. or at any adjournment thereof.

(Please indicate with an "X" in the space below how you wish for your vote to be casted. If no specific discretion as to how a vote is given, the proxy will vote or abstain at his/ her discretion)

* *Strike out whichever is inapplicable*

No.	Agenda	For	Against
1.	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2020 and the Reports of Directors and Auditors thereon.		
		For	**Against**
2.	Ordinary Resolution 1 - To sanction the declaration of a single-tier final dividend of 3.0 sen per share in respect of the financial year ended 31 December 2020.		
3.	Ordinary Resolution 2 - To approve the payment of Directors' fees of RM280,000.00 to the Non-Executive Directors for the financial year ended 31 December 2020.		
4.	Ordinary Resolution 3 - To approve the payment of Directors' fees to the Non-Executive Directors for the financial year ending 31 December 2021 until the next Annual General Meeting of the Company.		
5.	Ordinary Resolution 4 - To approve the payment of Directors' benefits up to an amount of RM120,000.00 to the Non-Executive Directors of the Company for the period from 22 April 2021 until the next Annual General Meeting of the Company.		
6(a).	Ordinary Resolution 5 - To re-elect Mr. Ong Ju Xing who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
6(b).	Ordinary Resolution 6 - To re-elect Dato' Saiful Bahri bin Zainuddin who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
6(c).	Ordinary Resolution 7 - To re-elect Mr. Leong Keng Yuen who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
7.	Ordinary Resolution 8 - To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.		
8.	Ordinary Resolution 9 - Authority to Issue Shares pursuant to the Companies Act 2016.		
9.	Ordinary Resolution 10 - Proposed Shareholders' Mandate.		
10.	Ordinary Resolution 11 - Proposed Renewal of Share Buy-Back Authority.		

Signed this __________ day of ____________, 2021

____

Signature of Shareholder(s)
(if the shareholder is a corporation,
this part should be executed under seal)

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PERSONAL DATA PROTECTION NOTICE

By submitting this form of proxy herein, the member of the Company gives his/ her consent to the Company and its service providers to collect, record, store/ hold and process his/ her personal data described above solely for the purposes of preparation and compilation of documents relating to the Annual General Meeting (including any adjournment thereof) ("the Purpose") and confirm that he/ she has obtained the consent of the proxy for the Company and its service providers to collect, record, store/ hold and process his/ her personal data described above solely for the Purpose. (For more information on the full Personal Data Protection Policy, please visit the Company's webpage at https://www.oskgroup.com/)

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AFFIX STAMP

The Share Registrar of OSK Holdings Berhad
Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

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OSK HOLDINGS BERHAD
199001015406 (207075-U)
(Incorporated in Malaysia)
21st Floor, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel. No. : (603) 2177 1999 Fax No. : (603) 2026 6331

www.oskgroup.com