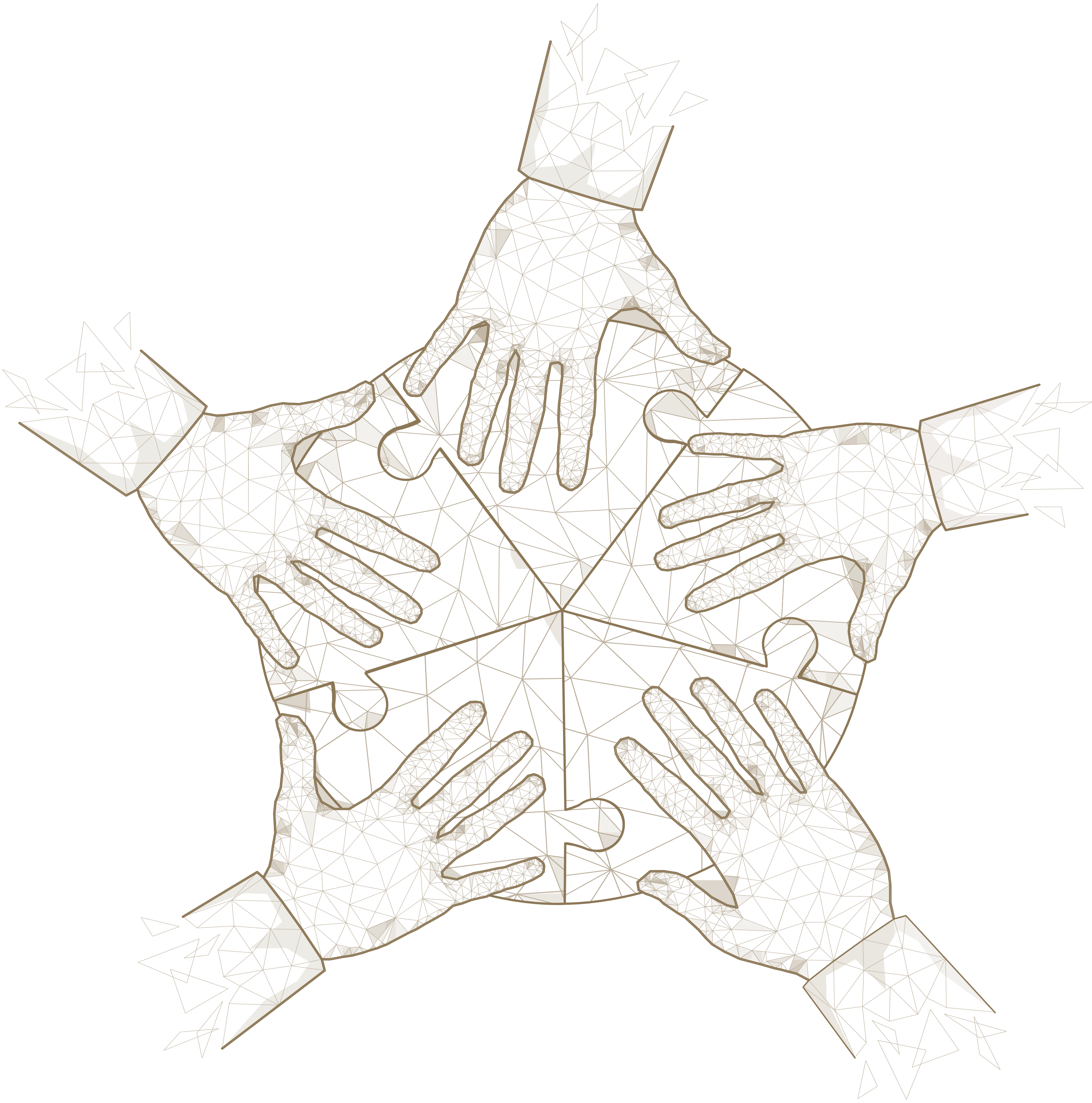
OSK HOLDINGS BERHAD
199001015406 (207075-U)
(Incorporated in Malaysia)



MOVING FORWARD, PROGRESSING TOGETHER.

ANNUAL REPORT 2021

MOVING FORWARD, PROGRESSING TOGETHER

OSK Group forged ahead in adhering to our mission of **Moving Forward** and **Progressing Together** to achieve shared successes and building the common good, as we grow with our stakeholders.

As a diversified conglomerate with business interests in Property Development and Investment, Financial Services, Construction, Industries and Hospitality, with a presence in Malaysia and Australia, OSK Group understands the importance of growing together with the community, and building strong relationships with our stakeholders.

Guided by our set of corporate values, OSK Group continues to strive towards its vision of 'Building Sustainable Businesses of Tomorrow' to deliver significant long-term value for its stakeholders. The Group is proud of its diverse and inclusive workforce, which supports a high-performance culture and grounded in the highest standards of conduct and integrity.

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 2021 ("FY2021"), 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 ("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 value creation at the Group. 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 at: www.oskgroup.com/corporate-announcements

A panoramic view of Melbourne's skyline featuring our iconic Melbourne Square project located in the Southbank district.

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 2021 until 31 December 2021, 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 ("MFRS"), the International Financial Reporting Standards ("IFRS"). 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 certain principles and concepts under the International Integrated Reporting Framework ("<IR>").

OUR AUDIENCE

Our Annual Report and supporting publications are prepared for the benefit 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 that relate to 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 note that multiple factors including emerging risks, uncertainties and disruptions may potentially affect the intended outcome and differ materially from our expectations. These may include causes or events that could adversely affect our business and financial performance.

CROSS REFERENCES

This icon indicates where more information can be found in our Annual Report or Sustainability Report 2021.

This icon indicates where more information can be found online.

CORPORATE WEBSITE

For more information about OSK Group, please visit our corporate website.

www.oskgroup.com

ONLINE REPORTS

Annual Report 2021

Sustainability Report 2021

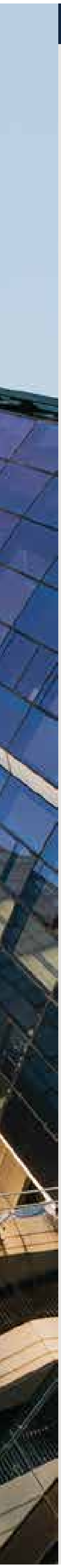
Kindly scan the above QR codes to access our Annual Report 2021 and Sustainability Report 2021 online or log on to www.oskgroup.com/corporate-announcements

32nd

Annual General Meeting

Date	: Thursday, 21 April 2022
Time	: 10:00 a.m.
Broadcast Venue	: Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan.
Meeting Platform	: Securities Services e-Portal www.sshsb.net.my

Situated in close proximity to Melbourne's central business district, Melbourne Square offers a luxurious, yet functional lifestyle with an extensive list of amenities for residents' enjoyment.



INSIDE THIS REPORT

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 ("OSK" OR "THE COMPANY") ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 ("FY2021").

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Executive Chairman

Standing Together

The prolonged coronavirus pandemic has had a big impact on the global economy, which has trickled down to a challenging operating landscape characterised by movement restrictions, supply chain disruptions, volatility in commodity prices, and concerns over the arrival of new coronavirus variants. Despite the backdrop of ongoing uncertainty, I still hold firm to the belief that this will be a decade of growth and transformation for us.

Throughout the pandemic, we have placed as our top priority the health, safety and well-being of our employees ("OSKers"), our customers, business partners, and community members, as we took steps to prevent the spread of the virus at our premises based on the Standard Operating Procedures ("SOPs") and policies established by the Government. The successful reopening of the economy and social activities in Malaysia and Australia by the end of the year was to a large extent aided by the development and widespread deployment of vaccines, accompanied by the necessary fiscal and monetary support, in both countries. I wish to thank and congratulate the Governments of both nations for taking decisive steps to protect the people and the economy, which have made a positive impact to lives and livelihoods during the year.

In ensuring that we provide a safe and secure environment for our employees as our offices reopened, I am pleased to share that 100% of our team members in Australia and over 99% of our team members in Malaysia have been fully vaccinated by the end of 2021. Adding to the ongoing pandemic, our country was also affected by severe rainfall that swept through the Peninsular, causing

EXECUTIVE CHAIRMAN'S STATEMENT

widescale floods in several states in late 2021. Fortunately, none of our assets and businesses were affected, but unfortunately, some OSKers were. The Group had identified those whose homes were affected by the floods, and financial assistance as well as additional leave and flexible work arrangements were accorded to help them take care of their personal needs.

Not forgetting the less fortunate during these challenging times, OSK Foundation ("OSKF") stepped up our efforts to assist those who were in need, especially the B40 community. OSKF's total disbursements of RM2.2 million in 2021 helped advance its mission of helping members of our community who are in need and for causes that are dear to our hearts. This includes a disbursement of more than RM510,000 towards COVID-19 and disaster relief efforts to assist vulnerable low-income families by providing them with daily necessities and food, and we supported our frontliners with medical equipment and necessities to help them carry out their work. As of January 2022, OSKF had disbursed more than RM640,000 to identified organisations including Yayasan Kebajikan Negara, the Malaysian Relief Agency (MRA), welfare homes, and other NGOs to distribute food, Survival Kits, and other forms of aid throughout the nation to help the flood victims.

We also extended financial support to the victims of the fire disasters in Karak in the state of Pahang, and honoured our national Paralympians by providing the Paralympic Council of Malaysia and our paralympic athletes with cash contributions as our gesture of appreciation and encouragement for their amazing performance at the Tokyo 2020 Paralympic Games.

In continuation of our efforts to contribute towards nation building, we also launched the OSK Foundation Scholarship programme in 2021 and have awarded scholarships with a committed scholarship value of RM1.5 million to 20 students pursuing their undergraduates' studies at six tertiary institutions in Malaysia. I am proud that we have been able to contribute towards changing the lives of our next generation. These scholars have the opportunity to spend their industrial training or internship at OSK and will eventually join us when they graduate, and I look forward to welcoming them into the OSK Family in the coming years.

I would like to invite you to read further details about our community support and development initiatives and a comprehensive account of our sustainability efforts can be found in our Sustainability Report 2021, which is available in our website.

www.oskgroup.com/corporate-announcements

> **"In continuation of our efforts to contribute towards nation building, we also launched the OSK Foundation Scholarship programme in 2021."**

OSK Foundation

Highlights

B40 COMMUNITY

RM2.2 million

helped advance its mission of helping members of our community who are in need and for causes that are dear to our hearts.

COVID-19

RM510,000

disaster relief efforts to assist vulnerable low-income families by providing them with daily necessities and food, and we supported our frontliners with medical equipment and necessities to help them carry out their work.

FLOOD

RM640,000

identified organisations including Yayasan Kebajikan Negara, the Malaysian Relief Agency (MRA), welfare homes, and other NGOs to distribute food, Survival Kits, and other forms of aid throughout the nation to help the flood victims.

SCHOLARSHIP PROGRAMME

RM1.5 million

20 students pursuing their undergraduates' studies at six tertiary institutions in Malaysia.

OSK

EXECUTIVE
CHAIRMAN'S STATEMENT

OSK Holdings Berhad Group Managing Director, Ong Ju Yan (front row, fifth from left) and Deputy Group Managing Director, Ong Ju Xing (front row, fourth from left), received the prestigious Outstanding Overseas Project Award 2021 and the Top Property Developers Awards 2021, respectively, during The Edge Malaysia Property Excellence Awards 2021 gala night in December 2021.

Transforming Challenges into Opportunities

Delivering sustainable growth is ingrained in our corporate culture, and I am very pleased to note that our long-term strategies have yielded positive results as the Group remained steadfast and resilient in the face of adversity. Our Property Development division, which continued to anchor the Group's revenue, was able to do well in spite of the challenges we faced as a result of the disruptions caused by the COVID-19 containment measures.

We were able to generate total property sales of RM759.0 million in Malaysia and RM92.0 million in Australia. Total unbilled property sales for the Group stood at RM869.0 million as at 31 December 2021, giving us visibility in earnings over the next two years.

During the year, OSK Property was able to win one of the most prestigious industry awards in the country as we joined the ranks of Malaysia's Top 10 Property Developers Awards 2021 (ranked #10), and we also won the Outstanding Overseas Project Award 2021 by The Edge Malaysia. This award is a notable achievement, as it reflects the outcome from many years of planning and hard work. Our pivot to developing landed homes has continued to be rewarding, as we sold a record RM377.3 million in landed residences in Bandar Puteri Jaya, Kedah, and Iringan Bayu, Negeri Sembilan, despite the challenging market conditions in 2021.

THE EDGE MALAYSIA
Property Excellence Awards 2021

Top Property Developers Awards 2021 (ranked #10)

Outstanding Overseas Project Award 2021 (Melbourne Square)

Over in Melbourne, our flagship integrated mixed-use development, Melbourne Square ("MSQ"), has become one of the most recognisable landmarks in Melbourne today with the completion of Phase 1, while planning for the remaining four stages of MSQ is underway. The retail podium, which forms part of Phase 1, drew considerable interest from investors and was sold to Perth-based investment group Primewest for AUD$70.0 million in May 2021. This is a testament of the confidence of market towards the potential of the development in the long run. MSQ was also shortlisted by the Urban Development Institute of Australia (UDIA Australia) for the coveted 2021 Awards for Excellence in the High Density Development category. We will provide further updates in our next report once the UDIA Awards winners are announced in March 2022.

The Property Investment division continued to face headwinds in 2021 with retail and office spaces impacted during the MCO period. To buffer the challenging operating landscape, we helped our tenants by organising online sales events, campaigns and promotions, as well as rental assistance, to help ensure business continuity

EXECUTIVE CHAIRMAN'S STATEMENT

during the difficult months. With the reopening in later part of the year, we saw an encouraging pick up in foot traffic at Atria Shopping Gallery, and a resumption of business activities by our tenants across our property portfolio. I am happy to inform that we welcomed Lotus's as our tenant-partner with the official the opening of Lotus's Bandar Puteri Jaya in Bandar Puteri Jaya, Sungai Petani, in January 2022.

As we continue to build high quality and value-added homes for our customers, our property-construction partnership approach, which we term as the "Prop-Con" model has continued to be proven effective, as our completed projects were delivered ahead of time and have continued to garner high Quality Assessment System in Construction ("QLASSIC") scores.

In spite of constraints to our working conditions, OSK Construction successfully completed and handed over 312 units of single-storey homes in the Semaya Phase of Iringan Bayu, and 1,084 serviced residence units in Ryan & Miho to purchasers within the sale and purchase agreement timeline. It is worth noting that the accomplishment was attributed to our efficient and dedicated project team, while at the same time, rigorous implementation of COVID-19 awareness programmes and precautionary measures prevented the formation of COVID-19 clusters at our work sites.

Upholding our promise to deliver quality value-added homes for our customers, I am pleased that Ryan & Miho in Section 13, Petaling Jaya, scored high QLASSIC scores of 80% for its Tower A and 84% for Tower B, while our Iringan Bayu township (Semaya Phase) was accredited with a QLASSIC score of 75%. Up north, our Yarra Park township in Sungai Petani, Kedah, also recorded commendable QLASSIC scores of 84% for Somerville Zone 2 and 82% for Westfield Zone 1.

Following an encouraging performance in 2020, our Financial Services segment continued to do well in 2021, with RHB continuing to deliver steady returns to the Group, while OSK Capital's lending portfolio breached the RM1 billion mark in September 2021. After years of planning, we have expanded our business into the civil servants financing business in partnership with a state-owned foundation, and we commenced our Islamic financing business during the year. Our fintech joint venture with Singapore-based Lyte Ventures Pte Ltd has gone off to a good start, and we are optimistic that we can build a meaningful business together with our partners. Having expanded our capital financing business to Australia in 2020, we obtained our Australia Credit License in 2021 and grew the team in Sydney and Melbourne. We expect this to be a significant growth area for the Group in the coming years.

Demand for manufactured industrial products took a hit as construction activity was significantly curtailed for several months in 2021 to contain the spread of COVID-19. Consequently, Acotec's and Olympic Cables' productivity was affected. Nonetheless, during this time our team continued to plan for the future, and we made a decision to move into expanded lightweight clay manufacturing under Acotec, and Olympic Cables explored the feasibility of producing new products and was able to install and commission new machines that will see our manufacturing capacity increase by 15%.

The operating environment for our Hospitality segment remained challenging during the year with extended closure of inter-district and inter-state travel, which affected occupancy levels at our hotels and resorts. To mitigate the impacts to our bottom line, we further rationalised our hospitality assets by disposing Swiss-Inn Kuala Lumpur during the year. At the same time, we continued to focus on streamlining the operations of our Swiss-Garden Hotel portfolio, namely Swiss-Garden Hotel Bukit Bintang, Swiss-Garden Beach Resort Kuantan, and Swiss-Garden Hotel and Residences Genting Highlands. The lifting of domestic travel restrictions in the final quarter of the year saw a recovery in demand, and our hotels were able to capitalise on the significant uptick in accommodation and event bookings.

The rebranding exercise for our hotel in Johor Bahru was completed during the year, and we welcomed the first guests to our newly opened Holiday Inn Express & Suites Johor Bahru on 14 December 2021. The DoubleTree by Hilton Damai Laut Resort is still undergoing renovations, and we expect the hotel to start welcoming guests in the third quarter of 2022.

On the other hand, SGI Vacation Club has remained resilient in 2021, as we diverted our focus to short-term vacation programmes in light of the weaker demand for longer term timeshare programmes.

For a detailed account of how our businesses performed during 2021, please read our Management Discussion and Analysis section in this Annual Report.

Moving Towards Our Vision

Realising our vision to be a long-term business builder requires not only perseverance and grit, but also the right culture and values among our people.

The disruptions that happened in the last two years have helped us grow stronger, more agile and resilient. The journey throughout this pandemic has not only brought us closer as a community, but also helped us realise that we, as a whole, are far greater than the sum of our parts. By fostering inclusivity and collaboration within and among our teams, we have been able to inspire innovation which spurred the organisation forward as we approached each challenge from different perspectives. I am glad that our consistent efforts in instilling a culture of diversity, equity and inclusion is driving the Group in the right direction because it is only when we have the right mindset that we can achieve great feats.

Looking forward, I am optimistic that our Property Development division will continue to grow, as we leverage on the development potential of strategic land

OSK

EXECUTIVE
CHAIRMAN'S STATEMENT

parcels we have accumulated over the recent years. With this in mind, our team is on track to launch property development projects with a total GDV of approximately RM1.4 billion in the coming year. This includes new launches in Shorea Park Puchong, LEA by the Hills in Taman Melawati, Mori Park in Shah Alam, and Senja in Sentul. Outside the Klang Valley, we target to launch new phases in Iringan Bayu and Bandar Puteri Jaya townships, and Rubica serviced suite apartments in Butterworth. With support from our Construction team, the steady pipeline of launches will replenish our property inventory, given the nominal unsold completed stocks on our books. Nonetheless, we will remain vigilant and continue to assess market conditions before embarking on any new launches to mitigate our risks.

For the period under review, we have kept the key operating metrics for our Capital Financing business healthy, with a total loan portfolio of RM979.8 million as at 31 December 2021. In 2022, we will actively expand into Shariah-compliant credit financing for corporates and civil servants, and provide factoring (trade receivables financing) for businesses. Barring any changes to the relatively low interest rate environment, and inter-state as well as international borders remain open, our Capital Financing team in Australia will strive to capitalise on the anticipated increase in demand for more accommodative non-bank credit with the expected rise in investment and consumption in the coming year.

As for our Manufacturing businesses, product innovation will underscore our key efforts in 2022, as we work to mitigate rising costs. At same time, our teams in Acotec and Olympic Cables will be exploring new markets to replenish our order books, pending revival in the rollout of large-scale infrastructure and property projects. With the economic stimulus measures implemented by the Malaysian Government, we hope to see a steady recovery in the demand for our products as the overall market demand picks up in conjunction with the resumption of economic activities.

With demand picking up in the hospitality and tourism industry following the lifting of inter-state and inter-district travel restrictions, and targeted policy support from the Government, it is my hope that we will be able to rebuild our Hospitality segment by focusing on domestic tourists in the near term. Our hospitality team is gearing up our operations to cater for the expected rebound in domestic travel in Malaysia, and turn around the segment's negative performance over the recent years.

The Group's financial health remains strong, despite the challenges we have been facing. During the year, the Group's shareholders' funds grew from RM5.3 billion at the start of 2021 to end the year at RM5.5 billion. In spite of the raging pandemic, we were able to generate a profit before tax ("PBT") of RM464.6 million and our cash position remains strong at RM831.7 million as at the end of December 2021. Total assets of the Group grew 6.6% from a year ago, while our net gearing remained healthy at 0.35 times. We remain committed to managing our assets and our balance sheet in a prudent manner, and ensuring that OSK Group takes a long-term view when making business decisions.

After careful deliberation on the Group's financial position and performance, the Board has recommended a final single-tier dividend of 4.0 sen per share for the financial year. The proposed final dividend is subject to shareholders' approval at the upcoming Annual General Meeting.

Over the next years, the Group will continue to commit to quality, innovation and reliability. Technology will increasingly inspire the delivery of our products and services as we innovate the way we conduct our business in the post-COVID age. Seeking to create a conducive work culture and groom our talents into future leaders, we will continue to stay true to our values to help shape a future where our people, businesses, and our planet thrive together. This underscores our approach in realising our ethos of 'Moving Forward, Progressing Together', to achieve sustainable growth together with all of our stakeholders, in line with our Sustainability Blueprint.

Please refer to the outlook sections under each of business units in our Management Discussion and Analysis section from pages 26 to 79 for a more detailed discussion on how we will move forward in 2022. You may also read more about our Sustainability Blueprint in our Sustainability Report 2021.

A Note of Appreciation

On behalf of all of us at OSK Group, I would like to extend our gratitude to our shareholders, customers, regulators and Government authorities, business partners and bankers, as well as organisations with whom we collaborate with for their continued support, especially during these unprecedented times.

I specifically would like to thank the OSK leadership team and our colleagues for their hard work and dedication during the financial year considering the challenges of the global pandemic, to our shareholders for their confidence in the Group, and my fellow Directors for your insightful contributions and input.

I wish to once again record my utmost appreciation for the leadership and sacrifice shown by the frontline workers and their families, especially healthcare workers who continue to battle the pandemic until today. I reiterate my belief that they are the true heroes of these two harrowing years.

Barring unforeseen circumstances, the Board remains optimistic on our prospects moving forward, supported by financial discipline and prudent expansion strategies.

The Group looks forward to a new chapter in 2022, underpinned by growth, recovery, and sustainability.

Keep safe and stay healthy.

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

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 THRIVE 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.

2021 AT A

Achieved Total Revenue of
RM1.1 billion

Our business performance and balance sheet continued to be strong and resilient amidst the protracted pandemic in 2021.

Higher PBT of
RM464.6 million
(FY2020: RM 416.7 million)

Early signs of national economic recovery from the easing of containment measures in the final quarter of the FY2021, coupled with our business continuity strategies, saw positive earnings across all business segments.

Total Shareholders' Funds Increased to
RM5.5 billion
(FY2020: RM5.3 billion)

Equivalent to a net asset per share of RM2.65 (FY2020: RM2.57).

Accelerated Adoption of Renewable Energy Across Our Business Premises
Solar photovoltaic panels installed at our cables factory in Melaka generated a utility savings of RM194,099 equivalent to 545.1 tonnes of carbon emissions avoided (from May-Dec 2021).

Sustained Top 100 Ranking in Corporate Governance
In the Malaysian Shareholders Watch Group's ("MSWG") List of Top 100 Companies for CG Disclosure for the eighth consecutive year.

Total Assets Grew to
RM9.2 billion
(FY2020: RM8.6 billion)

Our net gearing ratio remains health at 0.35 times.

COVID-19: Continued to Prioritise the Health & Safety of Our Employees, Customers, Associates and Tenants
Our comprehensive risk-based approach in safeguarding the safety and health of all our stakeholders across all business segments has ensured operational resilience throughout the pandemic.

Top 10 Property Developer in Malaysia
We were honoured to win The Edge Malaysia's Top Property Developers Awards 2021 (ranked 10th) and Outstanding Overseas Project Award 2021 for our Melbourne Square project in Melbourne, Australia.

Total Philanthropic Disbursements by OSK Foundation exceeded RM6.6 million since 2015
Including contributions to the B40 community, COVID-19 frontliners, disaster victims, education recovery and our national Paralympians.

Enhanced Sustainability Blueprint *"OSK, Growing Together"*
The Board reiterated and emphasised the Group's commitment to ensure environmental and social sustainability in driving value creation for long-term sustainable growth.

Built Stronger Engagement with our Employees
Evidenced by a higher Employee Engagement Score of 85.2% (FY2020: 78.2%)

Upheld Quality Excellence in Our Products
Maintained high QLASSIC scores for the homes we built:
- 75% for the Semaya phase in Iringan Bayu, Negeri Sembilan
- 80% for Tower A and 84% for Tower B for Ryan & Miho in Section 13, Petaling Jaya
- 84% for Somerville Zone 2 phase, and 82% for Westfield Zone 1 phase in Yarra Park, Sungai Petani, Kedah.

GLANCE

AWARDS & ACCOLADES

We wish to express our appreciation to all OSKers, our customers, bankers, investors, business associates and partners for your support throughout the financial year. It is through your support that we continued to reach new heights in our journey. We will continue to honour our commitment to uphold excellence in our products and services, and create value for our stakeholders.

Here is the list of accolades and awards that we received during the year:

OSK Group

Sustainability & CSR Malaysia Awards 2021
- Company of the Year Award (Diversified Business Entity) for Leadership in COVID-19 and Sustainability Initiatives

Swiss-Garden International

Swiss-Garden Hotel & Residences Genting Highlands

- 2021 Customer Review Awards by Agoda.com with Average Score of 8.3

Swiss-Garden Beach Resort Kuantan

- 2021 Travelers' Choice Award by Tripadvisor - Winner
- 2021 Customer Review Awards by Agoda.com with Average Score of 8.4

SGI Vacation Club

2021 Customer Review Awards by Agoda.com
- 9.2 (SGI Vacation Club Hotel Melaka)

2021 Gold Circle Award Winner by Agoda.com
- SGI Vacation Club Villa @ Damai Laut Holiday Resort
- SGI Vacation Club @ Damai Laut Holiday Resort
- SGI Vacation Club Hotel

OSK Property

The Edge Property Excellence Awards 2021

Corporate Award

OSK Property
Top Property Developers Awards 2021 (Ranked 10th) (2020: Ranked 12th)

Project Award

Melbourne Square
Outstanding Overseas Project Award 2021

StarProperty Awards 2021 - Real Estate Developer

Corporate Award

StarProperty All-Stars Award

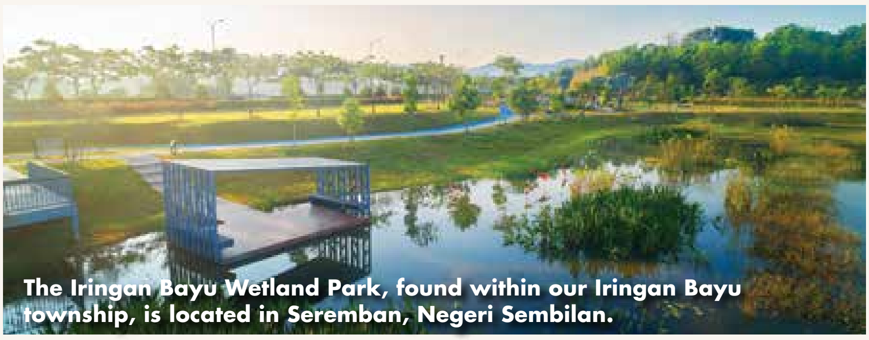
Project Award

Iringan Bayu
The Landscape Award (Township) (Excellence)

Iringan Bayu
The Starter Home Award (Landed) (Honours)

Iringan Bayu
The Family-Friendly Awards (Landed) (Merit)

iProperty Development Excellence Awards 2020
- Best Developers – People's Choice Award
- Best Lifestyle High-Rise Development (Ryan & Miho)
- Community CSR Award



The Iringan Bayu Wetland Park, found within our Iringan Bayu township, is located in Seremban, Negeri Sembilan.

OSK

WHO **WE ARE**

TOTAL EMPLOYEES
1,188

4.0% yoy
TOTAL REVENUE
RM1.1
billion

12.0% yoy
PBT
RM464.6
million

6.6% yoy
TOTAL ASSETS
RM9.2
billion

NET GEARING
0.35
times

Our award-winning Swiss-Garden Beach Resort Kuantan is nestled on the famous Balok beach, about 15km north to Kuantan in the state of Pahang.

Listed on the Main Board of Bursa Malaysia, OSK Holdings Berhad is a conglomerate with diversified business interests in five business segments with a presence in Malaysia and Australia. OSK Group's value creation drivers cover the following five pillars:

- **Property Development and Property Investment**
- **Construction**
- **Financial Services and Investment Holding** (consists of Capital Financing business in Malaysia and Australia; Islamic Financing business in Malaysia; and equity investment holding in RHB Bank Berhad)
- **Industries** (Industrialised Building System ("IBS") pre-cast concrete wall panels under the Acotec brand; and power cables under the Olympic Cable brand)
- **Hospitality** (consists of hospitality assets that are owned/ managed by the Hotels Division; and vacation club operated under the SGI Vacation Club brand)

OSK differentiates ourselves in being at the forefront of innovation, and in 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 ultimate objective 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 Peninsular 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 strive towards long-term, sustainable growth and adopt a balanced approach towards our Priorities, our People, and our Planet. In doing so, we are supported by a team of highly dedicated employees of more than 1,100 OSKers (pronounced 'Oscars') who share the same vision and mission with us.

Moving forward, the Group is focused on delivering value for all our stakeholders by ensuring that we deliver excellent products and services for our customers; care for the environment; support the underserved in the community; and ensure fair, safe and transparent practices across our businesses. At OSK, building sustainable futures for all is a journey that is driven by our commitment to realise positive and meaningful progress for all fellow OSKers and the community.

WHAT WE DO

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

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

Completed Properties >40,000 **homes**	**Estimated Effective GDV from Landbank** RM14.7 **billion***	**Capital Financing Portfolio** RM980 **million**	**Experienced Builder** "Class A" & "G7" **contractor**
Ranked 10th in The Edge Malaysia Top Property Developers' Awards 2021 **4 Awards** in StarProperty Developers Awards 2021	**Melbourne Square** Winner of The Edge Malaysia Outstanding Overseas Project Award 2021	**Property Investment & Management Portfolio** - 1.2 million sq ft of net lettable area - Atria Shopping Gallery - Faber Towers - Plaza OSK	**Strategic Equity Investment in RHB Bank Berhad** 10.18%
Leading Malaysian Precast IBS Wall Panel Manufacturer 3 factories **Order Book** 1.3 **million m²**	**Leading Malaysian Power Cable Producer** 1 factory Total cable sales of 19,703km in FY2021	**Hotels and Resorts Owner and Manager** - 6 hotels, inclusive of self-owned and managed assets, with 1995 keys - 1 golf club	**Vacation Club** 5 staycation homes in Malaysia Access to over 3,000 quality hotels and resorts worldwide through affiliate partner

YOU CITY III is an integrated transit oriented development that offers unparalleled convenience to residents with a direct link-bridge to the Taman Suntex MRT Station in Cheras 9th Mile.

* Representing OSK's effective share in the Melbourne Square integrated mixed development project.

OUR KEY **STRENGTHS**

1

Leading property developer in Malaysia in the industry with nominal unsold completed units and a prudent business expansion strategy.

2

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

3

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

4

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

5

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.

6

Solid experience and track record spanning more than two decades as a non-bank financial institution in Malaysia.

3.2% yoy
Total Shareholders' Funds **RM5.5 billion**

3.1% yoy
Net Assets Per Share **RM2.65**

16.3% yoy
Earnings Per Share **RM19.31 sen**

Net Gearing **0.35 times**

Listed on MSWG's **List of Top 100 Companies for CG Disclosure** for the 8th consecutive year

Winner of **Sustainability & CSR Awards 2021**

Sustainability Blueprint *"OSK, Growing Together"* **contributes to 13 UN SDGs**

Total Undeveloped Land Bank **1,978 acres in Malaysia and Australia***

Stable **Recurring Income from Strategic Equity and Property Investments**

Established **Hotels and Resorts Owner/ Manager**

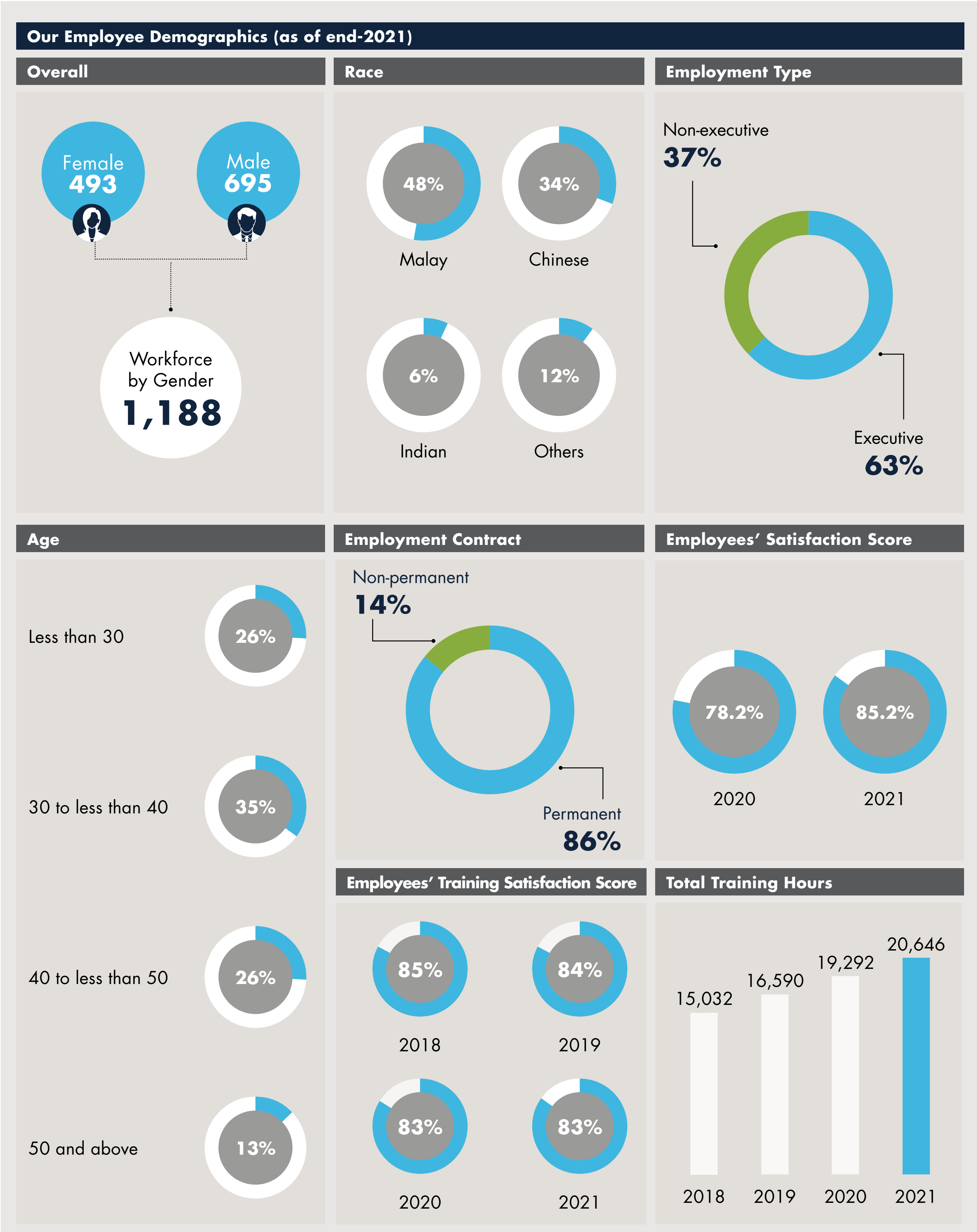
Leading Vacation Club Operator in Malaysia with **10,189 members**

A **Leading Manufacturer of IBS Precast Wall Panels**

A **Leading Producer of Power Cables**

Zero Cases **of Unethical Conduct**

Effective COVID-19 Response to Protect Our Employees, Customers and Business Partners


Our Employee Demographics (as of end-2021)
Overall
Female
493
Male
695
Workforce
by Gender
1,188
Race
48%
Malay
34%
Chinese
6%
Indian
12%
Others
Employment Type
Non-executive
37%
Executive
63%
Age
Less than 30
26%
30 to less than 40
35%
40 to less than 50
26%
50 and above
13%
Employment Contract
Non-permanent
14%
Permanent
86%
Employees' Satisfaction Score
78.2%
2020
85.2%
2021
Employees' Training Satisfaction Score
85%
2018
84%
2019
83%
2020
83%
2021
Total Training Hours
15,032
2018
16,590
2019
19,292
2020
20,646
2021

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 six capital inputs to create sustainable value for our stakeholders during the financial year. We take cognisance that successful and sustainable organisations depend not only on their financial capital, but also on other quantitative and non-quantitative capitals to create meaningful value and impact in what we do.

VALUE ADDED BY OSK HOLDINGS BERHAD

Resources We Rely On

- Total Employees in OSK Group: **1,188**
- 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)
- Total Training Hours: **20,646**
- Average Training Hours Per Employee: **18**
- Talent Engagement: Group and Divisional Townhalls
- Talent Development: Young Leaders Programme, Management Graduate Programme, Mentoring Programme, Group-wide succession planning

- Total Shareholders' Funds: **RM5.5 billion**
- Total Assets: **RM9.2 billion**
- Net Gearing: **0.35 times**

- Vision, Mission and Group Core Values
- Business Continuity Plan and Expansion Strategy
- Prudent Financial Management
- Group-wide Digitalisation and Business Innovation
- Process Optimisation and Cost Efficiency
- Strong Governance Policies and Frameworks
- Audit and Enterprise Risk Management
- Sustainability Blueprint *"OSK, Growing Together"*

Property Development and Investment:

__Property Development (including Malaysia and Australia)__
- **8** sales galleries
- **17** ongoing projects (including phases within our townships)
- **3** property investment assets (Atria, Faber Towers and Plaza OSK)

FINANCIAL SERVICES:

__Capital Financing__
- Capital financing portfolio: **RM980 million**

__Equity Investment__
- Strategic equity stake of **10.18%** in RHB Bank Berhad

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

INDUSTRIES:

__Power Cables__
- **1** factory in Melaka

__IBS Division__
- **3** factories (**1** in Perak, **1** in Negeri Sembilan, and **1** Johor)

HOSPITALITY:

__Swiss-Garden International__
- **6** hotels, inclusive of self-owned and managed assets with **1,995** keys
- **1** golf club

__SGI Vacation Club__
- **4** appealing vacation destinations with **5** vacation homes in Malaysia
- Access to over **3,000** hotels and resorts worldwide with our affiliate partner, Interval International

- Total Philanthropic Disbursement by OSK Foundation in FY2021: **RM2.2 million**
- Active Community Support and Development Activities by OSK Foundation
- Establishing Long-Term Strategic Partnerships and Collaborations with the Local Community
- Delivering Excellence and Value-Added Products and Service for our Customers
- Engaging All Our Stakeholders

AVERAGE MONTHLY ELECTRICITY CONSUMPTION:
- Plaza OSK: **177,816 kWh**

AVERAGE MONTHLY WATER CONSUMPTION:
- Plaza OSK: **1,847m³**

AVERAGE MONTHLY PAPER CONSUMPTION:
- Plaza OSK: **91,000 sheets**

VALUE CREATED FOR OSK HOLDINGS BERHAD AND ITS STAKEHOLDERS

Value We Create

ECONOMIC

- Revenue: **RM1.1 billion**
- Profit Before Tax: **RM464.6 million**
- Shareholders' Fund: **RM5.5 billion**
- Dividend Per Share: Single-tier interim dividend of **1.0 sen** per ordinary share announced in 1H 2021 and a proposed final dividend of **4.0 sen** (subject to shareholders' approval at the upcoming AGM)
- Total Unbilled Property Sales: **RM0.9 billion** with minimal unsold completed stocks
- Undeveloped landbank: **1,978 acres** across the Klang Valley, Sungai Petani, Butterworth, Kuantan, Seremban and Melbourne, Australia
- Total Estimated GDV (project pipeline): **RM14.7 billion** in Malaysia and Australia (representing OSK's effective share in the MSQ project).
- Basic Earnings Per Share: **19.31 sen**

To know more, please refer to the Management Discussion and Analysis, and Financial Statements sections in our Annual Report 2021

ENVIRONMENT

- A Key Pillar in *"OSK, Growing Together"* Sustainability Blueprint
- Promoted Natural Biodiversity Through the 22-acre Iringan Bayu Wetland Park Within Our Iringan Bayu township.
- Maintaining Our 3,745 m2 Public Park at Our MSQ Integrated Development, the Largest Open Green Space in the Southbank District in Melbourne
- Mitigating Our Carbon Footprint Through Solar Energy Panels and Energy-saving LED Lights Installed Across Our Premises
- Driving Responsible Consumption Across Business Divisions
- Implementing "5R", "Bring Your Own" and "Charity Recycling" Campaigns in Plaza OSK

To know more, please refer to our Sustainability Report 2021

EMPLOYEES

- Employees Satisfaction Score: **85.2%**
- Total employee compensation: **RM101.0 million**
- Diverse Gender Representation:
  - Female in Board of Directors: **33.3%**
  - Female in Key Senior Management: **36.5%**
  - Female across the Group: **41.5 %**
- Diverse Ethnic Representation:
  - Malay: **48.0%**
  - Chinese: **34.3%**
  - Indian: **5.8%**
  - Others: **11.9%**

To know more, please refer to our Sustainability Report 2021

CUSTOMERS

- Achieved High Customer Satisfaction/ Tenant Rating Scores Across Business Divisions:
  - OSK Property: **4.20/ 5.00**
  - Faber Towers: **3.89/ 5.00**
  - Olympic Cable Company: **4.06/5.00**
  - Swiss-Garden International: **3.90/ 5.00**
  - SGI Vacation Club: **88.9%**
- High QLASSIC Scores Achieved by OSK Property:
  - Semaya Phase in Iringan Bayu: **75%**
  - Ryan & Miho: **80%** (Tower A) and **84%** (Tower B)
  - Bandar Puteri Jaya: **84%** (Somerville Zone 2); **82%** (Westfield Zone 1)

To know more, please refer to our Sustainability Report 2021

COMMUNITY

- Total Philanthropic Disbursements by OSK Foundation in FY2021: **RM2.2 million**
- Total Disbursements by OSK Foundation Since Commencement of Operations in 2016: Exceeding **RM 6.6 million**
- Supported 20 Scholars from B40 Families Through OSK Foundation Scholarship 2021
- Supported COVID-19 Frontliners and Provided Relief for Vulnerable B40 Communities (hospitals, elderly home, learning equipment for upper primary and secondary schoolchildren)
- Assisted Flood and Fire Disaster Victims
- Contributed to National Paralympians Who Participated in the Tokyo 2020 Paralympic Games
- Supported Atria-Alzheimer's Community Centre and Celebrated World Alzheimer's Month 2021
- Supported IDEAS Autism Centre
- Celebrated Deepavali with the Less Fortunate Through 'Gifts of Hope' Programme
- Ongoing initiatives in Education and Community Development

To know more, please refer to our Sustainability Report 2021

OUTCOMES

VALUE
CREATION ENGINE

CAPITAL INPUTS

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 OBJECTIVES

Strategic Goal

- To maintain our position as a Top 10 property developer in Malaysia and to be among the key players in the non-bank financial services, manufacturing (cables and IBS) and hospitality sectors 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
- Optimise Sales and Product Margin
- Explore New Products and Growth Areas
- Leverage Digitalisation and Technology
- Sustainability-focused

Key Themes Underlying Our Operating Environment

- Impact of Pandemic Containment Measures
- Accelerated Progression of Business Digitalisation
- Price Volatility of Raw Materials
- Changing Consumer Patterns
- Market Competition
- Evolving Consumer Dynamics

Five Most Material Matters

- Safety, Health and Well-being
- Reputation
- Market Leadership and Sustainable Returns
- Talent Management and Diversity
- Community Support and Development

Key Risks

- Market Risk
- COVID-19 Risk
- Business Continuity and Resiliencies Risks
- Competition Risk
- Operation Risk
- Credit Risk

OUR BUSINESSES

Underpinned by strong governance, prudent risk management and high levels of integrity in everything we do.

PROPERTY DEVELOPMENT & CONSTRUCTION

Key segments of OSK Property's projects delivered under the 'Prop-Con Model':

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

PROPERTY INVESTMENT

Investment assets managed by OSK Property:

- Retail
- Commercial

Total lettable space: 1.2 million sqm[2]

INDUSTRIES – OLYMPIC CABLE COMPANY ("OCC")

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

INDUSTRIES – ACOTEC

- Manufacturer of IBS precast concrete wall panels that facilitate a hassle-free, efficient and cost-effective construction process.
- A construction method of choice among developers for its versatility and speed with minimal wastage and impact to the environment.
- Used in numerous residential developments, commercial projects and public facilities in Malaysia and Singapore.

FINANCIAL SERVICES – OSK CAPITAL

OSK Capital in Malaysia and Australia

- As the financial services arm of OSK Group, OSK Capital is an established capital financing provider for businesses with a combined loan portfolio of RM 980 million (Malaysia and Australia).

FINANCIAL SERVICES – EQUITY INVESTMENT

- Owns a 10.18% stake in RHB Banking Group, delivering sustainable equity returns to the Group.

HOSPITALITY – SWISS-GARDEN INTERNATIONAL

- The Group's hospitality arm owns/ manages six hotels located in Federal Territory Kuala Lumpur, Perak, Pahang, Melaka and Johor.
- Owns an 18-hole par-72 championship buggy-tracked course in Perak.

HOSPITALITY – SGI VACATION CLUB

- Leading vacation club operator in Malaysia and offers five staycation homes in Malaysia and access to over 3,000 hotels and resorts worldwide through our affiliate partner, Interval International.

OSK BELIEVES THAT GOOD CORPORATE GOVERNANCE IS FUNDAMENTAL TO US ACHIEVING OUR STRATEGIC GOALS AND OBJECTIVES, WHILE ENSURING THAT WE DELIVER LONG-TERM, SUSTAINABLE VALUE FOR ALL OUR STAKEHOLDERS

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OUTCOMES

OSK

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

Datin Azalina binti Adham
Independent Non-Executive Director

Leong Keng Yuen
Independent Non-Executive Director

Wong Wen Miin
Independent Non-Executive Director

Ong Yee Ching
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Leong Keng Yuen
Chairman

Dato' Thanarajasingam Subramaniam

Wong Wen Miin

RISK MANAGEMENT COMMITTEE

Wong Wen Miin
Chairman

Dato' Thanarajasingam Subramaniam

Datin Azalina binti Adham

Ong Yee Ching

NOMINATION AND REMUNERATION COMMITTEE

Dato' Thanarajasingam Subramaniam
Chairman

Leong Keng Yuen

Wong Wen Miin

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

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,
Malaysia

Chew Cheng Leong, Edwin
Chief Executive Officer, Capital Financing,
Australia

Ng Lai Ping
Group Chief Financial Officer

Tio Jun Lim
Director/ Head, Corporate Strategy
Chief Sustainability Officer

Mak Pick Wan, Chris
Chief Information Officer

Cheng Kee Thiam
Head, Group Internal Auditor

Wang Choon Hui, Debbie
Chief Human Resources Officer

Woo Lai Mei
Head, Group Legal

COMPANY SECRETARIES

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

Lim Lih Chau *(LS 0010105) (SSM PC No.: 201908001454)*

OSK

CORPORATE **INFORMATION**

Plaza OSK is one of the property investment assets owned by OSK Group.

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

STOCK EXCHANGE LISTING

Main Market,
Bursa Malaysia Securities Berhad

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

PRINCIPAL BANKERS

Bangkok Bank Berhad
Bank of China (Malaysia) Berhad
HSBC Bank 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

CORPORATE WEBSITE

www.oskgroup.com

SOLICITORS

Chooi & Company + Cheang & Ariff
Gan Partnership
Lee Hishammuddin Allen & Gledhill
Raslan Loong, Shen & Eow
Rosli Dahlan Saravana Partnership

PRINCIPAL BUSINESS ADDRESS

7th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan
Tel. No. : (603) 2177 1999
Fax No. : (603) 2166 6220

OSK

CORPORATE **INFORMATION**

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT

PROPERTY SEGMENT

PROPERTY DEVELOPMENT

OSK Property Holdings Berhad
Level 9, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1688
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.rubica.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

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

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

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)

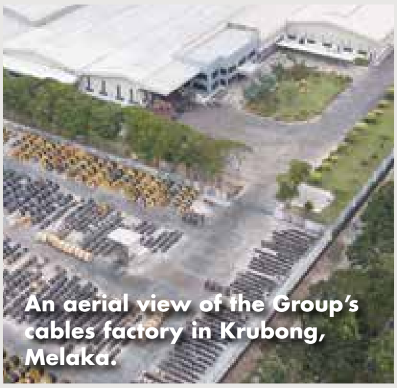
CONSTRUCTION SEGMENT

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


OSK Construction is a registered contractor with Pusat Khidmat Kontraktor (PKK) and the Construction Industry Development Board (CIDB) with a "Class A" and "G7" classification, respectively.

INDUSTRIES SEGMENT

CABLES


An aerial view of the Group's cables factory in Krubong, Melaka.

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

INDUSTRIALISED BUILDING SYSTEM


Acotec has three IBS precast wall panel production facilities operating in Johor Bahru, Perak and Negeri Sembilan.

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

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

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

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

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

OSK

CORPORATE
INFORMATION

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D)

HOSPITALITY SEGMENT

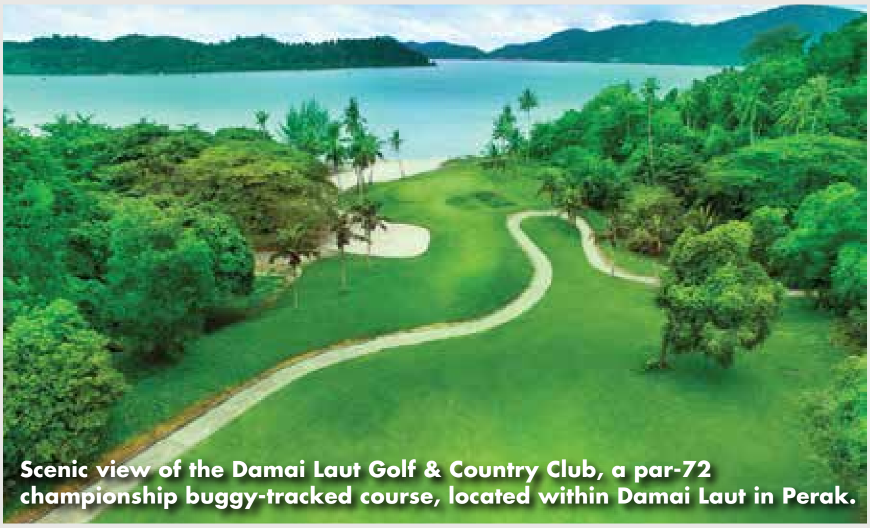
HOTELS AND RESORTS

Swiss-Garden International Hotels, Resorts and Inns
Level 14, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 9078 2688
Fax No. : (603) 9078 2600
www.swissgarden.com

Swiss-Garden Hotel & Residences, Genting Highlands
Windmill Upon Hills
Genting Permai
69000 Genting Highlands
Pahang
Tel No. : (603) 9213 0777
Fax No. : (603) 9078 2600
www.swissgarden.com/residences-genting

Swiss-Garden Beach Resort Kuantan
2656-2657, Mukim Sungai Karang
Balok Beach
26100 Beserah, Kuantan
Pahang
Tel No. : (609) 548 8288
: (603) 9078 2688
KL Sales Office
Fax No. : (609) 544 9555
: (603) 9078 2655
KL Sales Office
www.swissgarden.com/beach-resort-kuantan

DoubleTree Resort by Hilton Damai Laut
(formerly known as 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 2688
KL Sales Office
Fax No. : (605) 618 3388
: (603) 9078 2622
KL Sales Office
www.swissgarden.com/beach-resort-damai-laut


Scenic view of the Damai Laut Golf & Country Club, a par-72 championship buggy-tracked course, located within Damai Laut in Perak.

Swiss-Garden Hotel Bukit Bintang Kuala Lumpur
117, Jalan Pudu
55100 Kuala Lumpur
Tel No. : (603) 2141 3333
Fax No. : (603) 2141 5555
www.swissgarden.com/kuala-lumpur

Swiss-Garden Hotel Melaka
T2-4, The Shore @ Melaka River
Jalan Persisiran Bunga Raya
75300 Melaka Tengah
Melaka
Tel No. : (606) 288 3131
Fax No. : (606) 288 3377
www.swissgarden.com/hotel-melaka

Holiday Inn Express & Suites
(formerly known as Swiss-Inn Johor Bahru)
Lot 512, Jalan Syed Mohd Mufti
80000 Johor Bahru
Johor
Tel No. : (607) 218 3333
Fax No. : (607) 218 3334
www.swissgarden.com/inn-johor-bahru

Damai Laut Golf & Country Club
Hala Damai 2, Jalan Damai Laut
Off Jalan Teluk Senangin
32200 Lumut, Perak
Tel No. : (605) 685 9333
: (603) 9078 2688
KL Sales Office
www.swissgarden.com/damai-laut-golf

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


SGI Vacation Club at Damai Laut Holiday Resort in Lumut, Perak, is an ideal destination for relaxing staycations.

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 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

Lyte Malaysia Sdn. Bhd.
Level 7, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel No. : (603) 2177 1938
Fax No. : (603) 2177 1933
www.lyteventures.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
www.oskcapital.com.au

Established in 2020, OSK Capital Australia focuses on providing capital financing solutions for the commercial real estate market in Australia.

CORPORATE **STRUCTURE** AS AT 28 FEBRUARY 2022

OSK

OSK Holdings Berhad

- RHB Bank Berhad^ — 10.18%
- 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%
  - Lyte Malaysia Sdn. Bhd. (formerly known as OSK Lyte Sdn. Bhd.) — 51%
- KE-ZAN Holdings Berhad — 100%
- OSK Realty Sdn. Bhd. — 100%
- OSK Academy Sdn. Bhd. (formerly known as OSK Learning Academy Sdn. Bhd.) — 100%
- OSK Capital Management Sdn. Bhd. — 100%
- OSK Design Sdn. Bhd. — 100%
- OSK I CM 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 Dynamic Sdn. Bhd. — 100%
  - 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%
  - Mori Park Sdn. Bhd. (formerly known as 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
- Property Development
- Property Investment

Construction
- Construction

Financial Services and Investment Holding
- Capital Financing
- Investment Holdings and Others

Industries
- Cables
- IBS

Hospitalities
- Hotels and Resorts
- 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. (in the process of striking off) 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%
  - Aco Built System Sdn. Bhd. 100%
  - Acotec Sdn. Bhd. 100%
    - Acotec-Concrete Products Sdn. Bhd. 100%
    - Malayan AECA 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. 99.39%
    - 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%
  - 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%
        - Yarra Park City Pty. Ltd. [Australia]^ 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

Review of our Operating Environment in 2021

While the year 2020 had proven to be a challenging year for the global economy with the onset of the COVID-19 pandemic, 2021 was no less unsettling as the pandemic reached its peak in August 2021 with the number of confirmed daily cases surpassing 22,000 in Malaysia. Yet despite the adversities as a result of the coronavirus, the Nation has progressed into a state of recovery through a successful nationwide vaccination programme.

This can be seen through the various business sectors that have already begun to adapt and thrive in the 'new normal'. For example, the hospitality industry is beginning to observe gradual improvements in occupancy rates, while the manufacturing industry is experiencing nascent recovery in terms of travel and accommodation demand.

Through concerted efforts by the Management under the strategic guidance of the Board as well as the support of recovery policies and initiatives by the Malaysian and Australian Governments, OSK is committed to accelerate the recovery process and build on our resiliency through prudent market strategies, underpinned by our business continuity plan that includes ensuring strong financial discipline; digitalisation of our systems and processes; safeguarding the safety and health of our employees, customers and business partners; while minimising disruptions to our businesses.

On the whole, the Group had performed satisfactorily in FY2021 as we were able to continue executing our long-term strategies to mitigate risks in our operations and deliver year-on-year growth in our earnings.

THE FINAL QUARTER OF 2021 MARKED THE BEGINNING OF OUR RECOVERY FROM THE COVID-19 PANDEMIC.

In addition, the Management continued to ensure that all business divisions continue to adapt and comply with the Standard Operating Procedures ("SOPs") imposed by the Government including ensuring a safe, secure and conducive work environment by taking the necessary preventive measures, raising COVID-19 safety awareness, and encouraging our employees to be fully vaccinated, so they could perform their duties and manage the Group's operations with peace of mind.

At the time of preparation of this report, the vaccination rate for the adult population in the country has reached 97.5% and the third dose booster is being administered progressively, especially for priority age groups. Along with the re-opening of inter-state and inter-district borders, we believe that barring unforeseen circumstances a full economic recovery is on the horizon, particularly for the retail and hospitality industries.

We continue to place a high emphasis on protecting the well-being of our stakeholders, including OSKers, our customers, tenants, business partners and associates.

Economic Review

As we moved into FY2021, the arrival of the third wave of COVID-19 followed by the reinstatement of the Movement Control Order ("MCO 2.0") in Malaysia on 13 January 2021 had resulted in further challenges for the Group's businesses. As the transmission of COVID-19 continued to rise, the country underwent successive stages of the Movement Control Order ("MCO"), which resulted in restriction of business activities amidst Phase 1 and 2 of the National Recovery Plan ("NRP") from June until September 2021.

The Australian economy saw early signs of recovery after registering a qoq GDP growth of 3.4% in the fourth quarter of 2021.

The targetted rollout of the national vaccination campaign by the Malaysian Government since early 2021 to strengthen the population's immunity and to curb the spread of the coronavirus had achieved the highest immunisation rate among residents and non-residents, and led to a progression to Phase 4 of the NRP where economic sectors gradually reopened, subject to strict SOPs.

At the time of the preparation of this report, the Malaysian economy registered a positive growth of 3.6% in 4Q2021 (3Q2021: -4.5%) with the resumption of economic activities, in tandem with the easing of coronavirus containment measures. The rebound in economic activity was aided by recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

www.bnm.gov.my/-/4q-gdp-2021

On the supply side, all economic sectors recorded an improvement in growth, led by the services and manufacturing sectors. On the expenditure side, growth was driven mainly by the improvement in household spending and trade activity. On a quarter-on-quarter ("qoq") seasonally-adjusted basis, the economy registered an increase of 6.6% (3Q2021: -3.6%).

For 2022, Bank Negara Malaysia projects the domestic economy to remain on its recovery path with the support of the expansion in global demand and higher private sector expenditure. The continuation of major investment projects in both the private and public sectors will also support growth.

On the other hand, the Australian economy rose by 3.4% qoq in 4Q2021, exceeding market forecasts of 3.0% and shifting from a 1.9% fall in 3Q2021. This was the strongest pace of growth since 3Q2020, mainly boosted by a sharp rebound in household spending as the economy emerged from COVID-19 lockdowns.

Household consumption bounced back strongly by 6.3% (3Q2021: -4.8%), rising the most five quarters, buoyed by spending on both goods and services with recreation and culture, cafes & restaurants and clothing experiencing strong rises. Meantime, government spending growth eased sharply (0.1% vs 3.8%); while private investment fell for first time in six quarters (-1.4% vs 0.7%), amid shortages of labour and construction materials.

The external demand contributed negatively, with exports falling 1.5% due to mining commodities and travel services; while imports dropped 0.9%, driven by consumption and capital goods. On a yearly basis, the economy grew 4.2%, after 3.9% rise in 3Q2021 and above consensus of 3.7%.

Source: Australian Bureau of Statistics

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Stakeholder-focused Material Issues and Our Response

The following table summarises the list of material issues faced by the Group, the stakeholder groups that our measures and responses impact, how we have responded and the corresponding GRI disclosures they relate to. Each material issue is discussed in detail in our Sustainability Report 2021, which is published concurrently with our Annual Report 2021. The table is also available in our Sustainability Report.

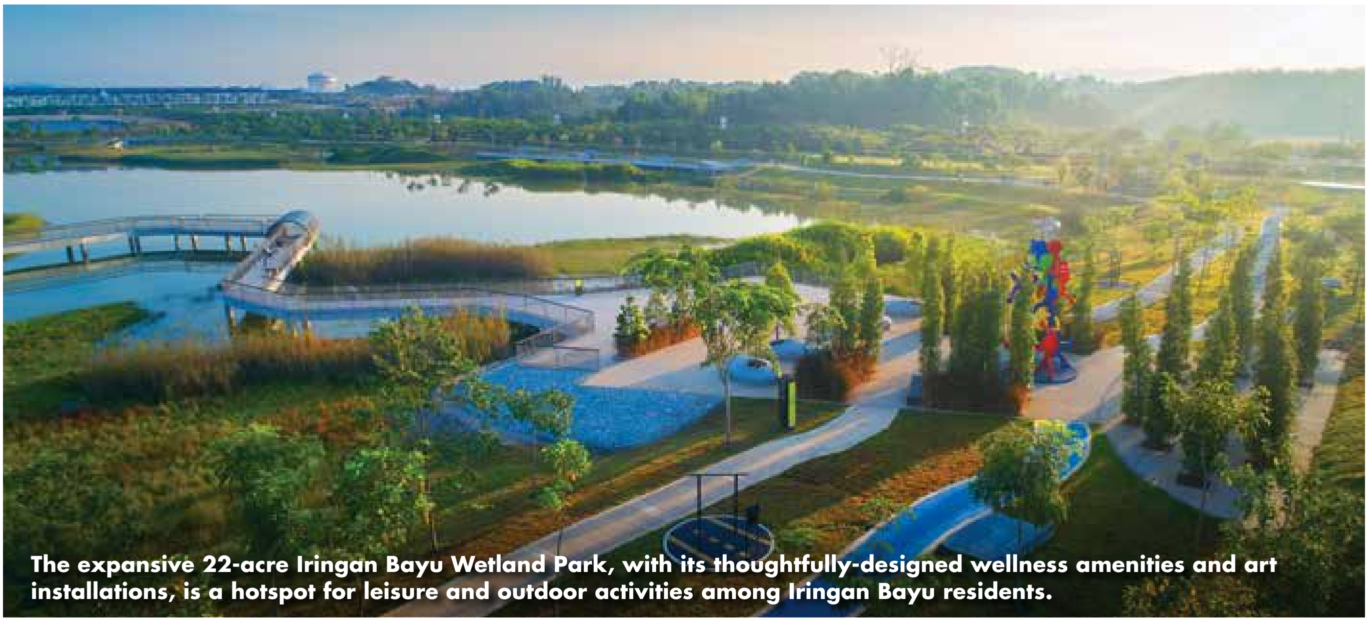
Material Issues	Stakeholder Boundary and Impact	How We Respond	GRI Standards & Disclosures	Addressed in Our Sustainability Report
Ecosystem and Biodiversity	Customers, employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers, community, and media	• We strive to ensure that our operations have the least amount of impact to the environment through careful planning and responsible actions. • We ensure healthy living in a sustainable environment is a key development objective that is integrated into the homes that we build.	GRI 303: Biodiversity	Section: Caring for the Environment
Resource Efficiency and Responsible Consumption	Customers, employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers, community, and media	• We support environmental conservation through conscious efforts by improving waste management practices in our projects and premises. • We promote circularity and efficiency in our consumption of natural and manufactured resources through use of technology, awareness programmes, and collaborations with external partners to mitigate our impact to the natural environment. • We create buildings and developments that support well-being and promote resource efficiency benefits to our homebuyers.	GRI 306: Effluents and Waste GRI Sector Disclosures: Construction and Real Estate	Section: Caring for the Environment
Carbon Management	Customers, employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers, community, and media	• We drive environmental conservation through adoption of renewable energy, improving energy efficiency through energy saving programmes and installing energy-efficiency devices at our premises. • We promote the planting of greenery as long-term carbon sinks in our development projects as part of efforts to combat climate change.	GRI 302: Energy	Section: Caring for the Environment
Talent Management and Diversity	Employees, government and regulators, shareholders and investors	• We ensure the availability, sourcing and nurturing and upskill our talents to meet the Group's long-term business objectives and challenges. • We provide an inclusive, supportive, engaging and conducive work environment for our employees while ensuring equal and fair opportunities for all our talents. • We support a strong culture of diversity and non-discrimination where all talents work together in a united, purpose-driven and cohesive mindset across all our businesses.	GRI 404: Training and Education GRI 405: Diversity and Equal Opportunities	Section: Shared Economic and Social Values

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Material Issues	Stakeholder Boundary and Impact	How We Respond	GRI Standards & Disclosures	Addressed in Our Sustainability Report
Market Leadership and Sustainable Returns	All internal and external stakeholders across our value chain	• We deliver strong, sustainable returns for our stakeholders and the community amid a dynamic and constantly evolving market environment. • We cascade beneficial influence and presence to the local communities where we operate as part of efforts to build and maintain positive social license. • We strive to deliver excellence in all our products and services, while ensuring the satisfaction of all our customers and business partners.	GRI 201: Economic Performance GRI 202: Market Presence GRI 416: Customer Health and Safety	Section: Shared Economic and Social Values
Community Support and Development	NGOs, community, government and regulators, and supply chain partners	• We help the underserved through our financial resources and making a difference in the community. • We catalyse change in the socio-economic fabric of the community through meaningful and high-impact initiatives. • We organise regular engagements with our stakeholders to understand their concerns and gather valuable feedback to improve our products and services.	GRI 413: Local Communities	Section: Shared Economic and Social Values
Innovation and Partnerships	Customers, employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers, community, and media	• We ensure continuous stakeholder-focused progress and improvements in the way we conduct our businesses. • We meet new challenges, exploring opportunities and growing our businesses through technology, and forming mutually beneficial partnerships and collaborations.	GRI 416: Customer Health and Safety	Section: Shared Economic and Social Values
Responsible Supply Chain	Business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers, and media	• We uphold responsible and ethical procurement practises through close engagement with our supply chain.	GRI 204: Procurement Practices	Section: Shared Economic and Social Values
Safety, Health and Well-Being	All internal and external stakeholders across our value chain	• We protect the health and safety of our customers, employees, vendors and related stakeholders against threats such as the COVID-19 pandemic.	GRI 403: Occupational Health and Safety	Section: Shared Economic and Social Values

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Material Issues	Stakeholder Boundary and Impact	How We Respond	GRI Standards & Disclosures	Addressed in Our Sustainability Report
Ethics and Integrity	All internal and external stakeholders across our value chain	• We uphold the highest ethical values, conduct and principles across all our business activities. • We ensure strict compliance with all provisions under the MACC Act Section 17A.	GRI 102-16 Values, Principles, Standards, and Norms of Behaviour GRI 205: Anti-corruption GRI 102-17 Mechanisms for Advice and Concerns About Ethics	Section: Shared Economic and Social Values
Regulatory Compliance	Employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, and financiers	• We ensure the strictest compliance with prevailing laws and regulations in the way we carry out our daily operations and businesses. • 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.	GRI 419: Socioeconomic Compliance GRI 418: Customer Privacy	Section: Shared Economic and Social Values
Reputation	Employees, business and industry partners, supply chain partners, government and regulators, shareholders and investors, financiers and community	• We strive to build a trusted brand for all our products and services, and exert a positive influence in the industry.	GRI 102-13 Membership of Associations	Section: Shared Economic and Social Values



The expansive 22-acre Iringan Bayu Wetland Park, with its thoughtfully-designed wellness amenities and art installations, is a hotspot for leisure and outdoor activities among Iringan Bayu residents.

PERFORMANCE REVIEW

Key Financial Indicators 2021

REVENUE

RM 1,126.1 million

PROFIT BEFORE TAX

RM 464.6 million

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RM 398.2 million

TOTAL ASSETS

RM 9,216.0 million

SHAREHOLDERS' FUNDS

RM 5,468.0 million

NET GEARING RATIO

0.35 times

Financial Highlights

Overall Group Performance in FY2021

Despite a challenging business landscape with protracted concerns and uncertainty with the emergence of a new wave of COVID-19 virus variants as we entered into the second year of the pandemic, the Group registered yet another set of commendable results for the financial year ended 31 December 2021 ("FY2021"). During the year, the Group's profit before tax ("PBT") rose 12% year-on-year ("yoy") to RM464.6 million on the back of a revenue of RM1.1 billion.

The PBT growth was largely due to the improved performance of our core business segments, namely our Financial Services Segment (including the Capital Financing Division) which saw its PBT increased 29% yoy, while our Hospitality Segment narrowed its losses by 50%.

Other business segments, namely our Property Development, Industries, and Construction Segments continued to register a sustainable performance, in spite of the impacts from the pandemic.

Although the Property Development Division saw a PBT reduction of 27% yoy to RM175.7 million, due to slower progress billings from ongoing property development projects, it remains the top revenue contributor of the Group. We are pleased to report that the first phase of our new freehold integrated development project in Puchong South, known as MIRA at Shorea Park, saw a commendable take-up rate of 80% for Tower A to-date. Homebuyers could take advantage of OSK's Essential Homes Campaign, which offers no booking fee for easy homeownership. Given its strategic location within a well-established neighbourhood coupled with practical layouts and nature-inspired community living at a reasonable price tag, we are confident that MIRA at Shorea Park and subsequent phases will continue to be well-received by first-time homebuyers, professionals and young families.

Additionally, we are proud that the operational efficiency and optimisations achieved from our "Prop-Con" model (strategic collaboration between our Property Development and Construction teams) has continued to enable us to deliver high-quality homes on time and at affordable prices during the year. The gross development value ("GDV") for our ongoing property projects stood at RM1.8 billion as of end-FY2021.

The higher profits registered by the Financial Services Segment was attributed to tangible growth in our Capital Financing portfolio and higher profits recorded by RHB Bank Berhad, where we hold an increased stake of 10.18% following two successful subscriptions of new RHB Bank Berhad shares through it dividend reinvestment plans during the year.

We are pleased to note that the growth in our Capital Financing portfolio is the result of a strategic plan implemented a few years ago where we decided to operate in a market that we are familiar with and leveraged on our core expertise in corporate and business financing.

For our Hospitality Segment, the re-opening of our hotels in the final quarter to capture the peak travel and accommodation demand proved effective, and resulted in an improvement in the segment's bottom line for the financial year. The cost rationalisation exercise initiated a year ago also helped lower our expenses, while a substantial portion of our hotels' marketing activities was shifted online for a more targeted and cost-effective approach.

Statement of Financial Position

The Group continued to maintain a strong financial position as our shareholders' funds grew 3.2% yoy to RM5.5 billion at the end of FY2021, equivalent to a net asset per share of RM2.65 (FY2020: RM2.57). Total assets rose 6.6% yoy to RM9.2 billion in the same period (FY2020: RM8.6 billion), primarily from increased cash, bank balances and short-term funds, investments in associates and a joint venture, as well as expansion of our capital financing portfolio.

Capital Management

The Group employs a prudent approach in our capital management, and ensures efficient use of capital by optimising cost structures and cost of capital across our businesses. As of end-FY2021, the Group's total borrowings amounted to RM2.8 billion (FY2020: RM2.4 billion), while cash, bank balances and short-term funds stood at RM831.7 million (FY2020: RM662.7 million). Net borrowings increased by RM163.1 million from a year earlier primarily due to additional funding for increased loan disbursements by our

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Capital Financing Division and land acquisition for Property Development Division. Despite the higher funding requirements, we have kept our net gearing ratio at a healthy level of 0.35 times.

In September 2020, our wholly-owned treasury company, OSK Rated Bond Sdn Bhd, had successfully established a rated Islamic Medium-term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which, together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), had a combined bond issuance limit of up to RM2.0 billion (or its equivalent in other currencies).

The tenure of the Sukuk-R/MCMTN-R Programme is perpetual and is guaranteed by the Company. Driven by a well-established track record in our key businesses, a low leverage position and proven financial flexibility, the Group's corporate credit rating was re-affirmed as AA_{IS}/AA with a stable outlook by the Malaysian Rating Corporation Berhad ("MARC") on 28 October 2021.

To meet our financing needs, we issued a total of four series of Sukuk-R and MCMTN-R in FY2021, totalling RM698.0 million with maturities ranging from five to 10 years, commencing from 2026 to 2031. The Sukuk-R and MCMTN-R carried a fixed coupon rate of 3.55% to 4.52% per annum. Proceeds from the issuance were utilised as working capital and repayment of certain borrowings.

The above exercise further diversified our funding mix and ensures a well-balanced borrowing profile in terms of maturity, while managing interest rate and liquidity risks during low interest rate environment in Malaysia.

Statement of Cash Flows

Operating Activities
During the year, net cash generated from the Group's operating activities totalled RM84.6 million with RM158.1 million channelled to our Capital Financing business as working capital. During the year, funds were utilised to expand our capital financing portfolio and to fund construction progress of our Property Development business.

Investing Activities
The Group utilised a total of RM120.7 million for investing activities in FY2021, which was significantly higher than the previous year at RM34.2 million. A total amount of RM245.0 million (FY2020: RM88.3 million) was utilised to acquire land in Shah Alam, Puchong and Melawati during the financial year. To sustain our future income streams, we also embarked on an enhancement exercise for our property, plant and equipment by investing a total of RM39.8 million to upgrade our assets. This includes refurbishing our hotels and installing a new production line at our cable factory during the year. In addition, the cash dividend received from RHB Bank Berhad in FY2021 was RM61.3 million (FY2020: RM75.1 million). The Group also received a capital repayment of RM65.3 million and a dividend of RM24.0 million from our joint-venture with Agile during the year.

Financing Activities
The Group generated a net cash of RM205.5 million from financing activities in FY2021, mainly due to proceeds from the issuance of Sukuk and MTN of RM930.0 million. This was further offset against the redemption of our unrated Sukuk and MTN of RM530.8 million. The Group paid a total dividend of RM82.5 million (FY2020: RM82.8 million) to our Shareholders and honoured a total interest payment of RM36.5 million during the year.

Cash and Cash Equivalents
As of 31 December 2021, the Group's total cash and cash equivalents stood at RM831.7 million, equivalent to an increase of RM169.0 million from the previous year (FY2020: RM662.7 million).

> "The Group's ERM function continued to focus on operations, compliance, financial and business continuity management."

Risk Management

At OSK, we view risk management as a crucial function that empowers the Board and Management with the tools and basis to adequately identify and mitigate potential risks. The Group's Enterprise Risk Management ("ERM") function continued to focus on operations, compliance, financial and business continuity management. During the year in review, strategic steps were taken to ensure that key mitigation measures were in place to ensure operational sustainability and resilience across all business segments.

The Group's systematic risk management approach is anchored by our 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 appropriately. The Board Risk Management Committee provides governance oversight on the aspects mentioned above.

Please refer to pages 136 to 137 in this report for a more detailed discussion on our Enterprise Risk Management Framework.

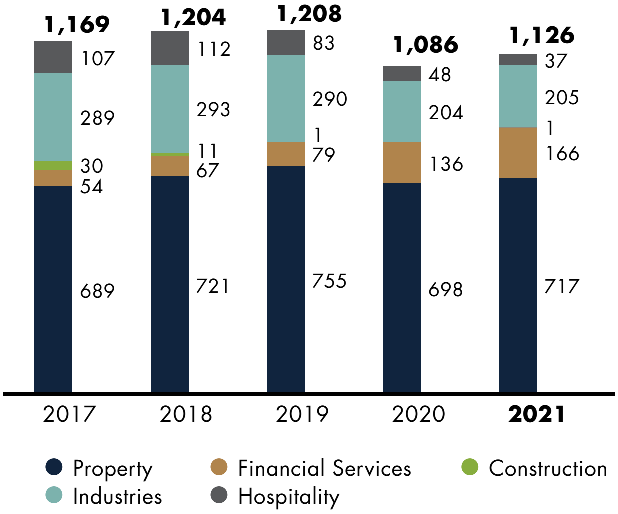
NET CASH FROM OPERATING ACTIVITIES
RM85
million

CASH AND CASH EQUIVALENTS
RM832
million

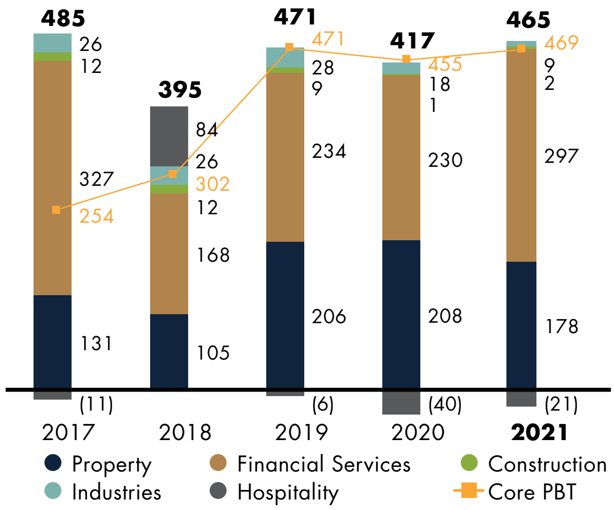
MARKET CAPITALISATION
RM1,794
million

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

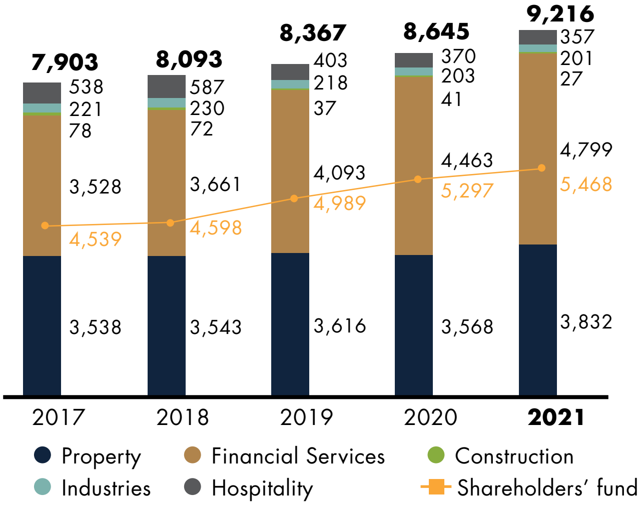
Revenue (RM'million)



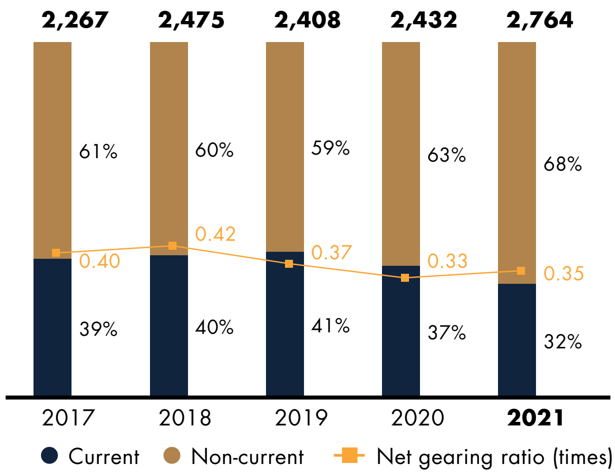
Profit Before Tax ("PBT") and Core PBT (RM'million)



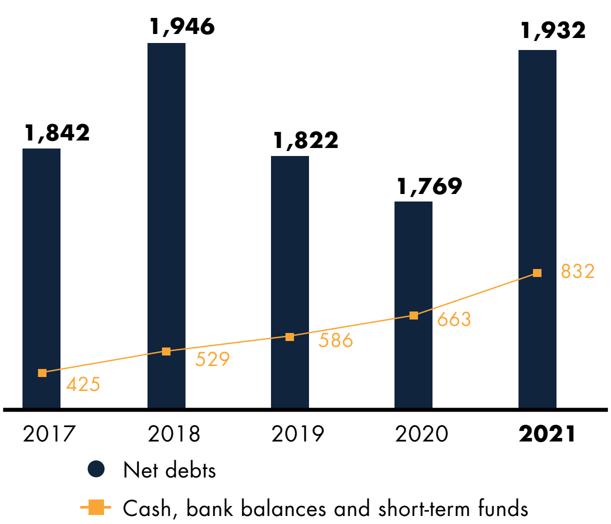
Total Assets and Shareholders' Funds (RM'million)



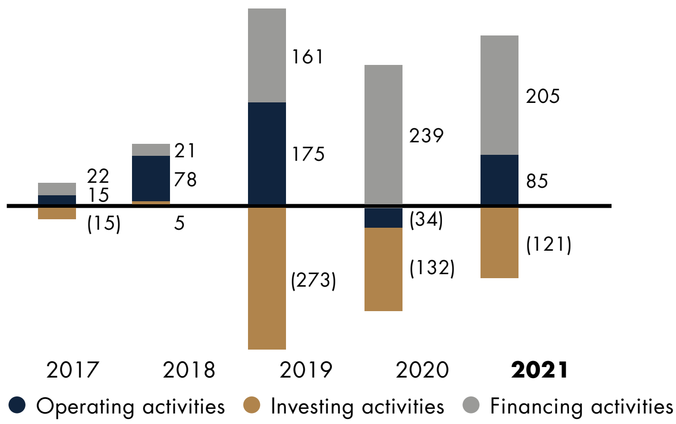
Total Borrowings (RM'million)



Net Debts (RM'million)



Cash Flows (RM'million)



GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Five-year Financial Summary

	2017	2018	2019	2020 [4] (Restated)	2021
Financial Performance (RM'million)					
Revenue	1,169	1,204	1,208	1,086	**1,126**
Gross profit	304	342	420	407	**367**
Profit before tax	485	395	471	417	**465**
Core profit before tax [1]	254	302	471	455	**469**
Profit after tax	404	352	419	347	**402**
Profit attributable to Owners of the Company	400	346	412	344	**398**
Financial Position (RM'million)					
Share capital	2,095	2,095	2,095	2,095	**2,095**
Net assets attributable to Owners of the Company (Shareholders' funds)	4,539	4,598	4,989	5,297	**5,468**
Total assets	7,903	8,093	8,367	8,645	**9,216**
Total net tangible assets	4,557	4,596	5,009	5,339	**5,494**
Other Financial Information					
Market capitalisation (RM'million)	2,223	1,807	2,155	1,856	**1,794**
Net assets per share attributable to Owners of the Company (RM)	2.19	2.21	2.41	2.57	**2.65**
Share price at the end of the year (RM)	1.07	0.87	1.04	0.90	**0.87**
Earnings per share (sen)	19.27	16.66	19.84	16.61	**19.31**
Dividend per share (sen)	6.00[3]	5.00	5.00	4.00	**5.00[2]**
Net gearing ratio (times)	0.40	0.42	0.37	0.33	**0.35**
Return on equity (%)	9.06	7.58	8.60	6.68	**7.40**

Notes:

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

	2017	2018	2019	2020	2021
Gain on disposal of a subsidiary	*-*	*-*	*-*	*8*	***-***
Fair valuation (loss)/gain of investment properties	*53*	*-*	*-*	*(28)*	***-***
Impairment and write off on property, plant and equipment	*-*	*-*	*-*	*(18)*	***(4)***
Gain on disposal of hotel properties	*-*	*93*	*-*	*-*	***-***
Gain on deemed disposal of a subsidiary	*178*	*-*	*-*	*-*	***-***
Total	*231*	*93*	*-*	*(38)*	***(4)***

[2] Dividend per share for FY2021 of 5.0 sen consists of a single-tier interim dividend of 1.0 sen per share and a proposed single-tier final dividend of 4.0 sen per share. The proposed 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.

[4] The financial results for FY2020 have been restated for the adoption of IFRIC Agenda Decision - Over time transfer of constructed good in relation to Accounting Standards - IAS 23 ' Borrowing Costs' as disclosed in Note 6.1(a)(ii) to the financial statements.

Statement of Value-added and Distribution

(RM'million)	2017	2018	2019	2020 (Restated)	2021
Value Added:					
Revenue	1,169	1,204	1,208	1,086	**1,126**
Purchase of goods and services	(906)	(912)	(815)	(751)	**(798)**
Value added by the Group	263	292	393	335	**328**
Other income	102	122	34	44	**29**
Gain on deemed disposal of a subsidiary	178	-	-	-	**-**
Share of results of associates and a joint venture	182	237	275	251	**295**
Total value added	725	651	702	630	**652**
Reconciliation:					
Profit after tax	404	352	419	347	**402**
Add: Depreciation and amortisation	29	28	29	40	**40**
Finance costs	73	80	64	51	**46**
Salaries and other staff costs	137	148	138	123	**101**
Tax expense	82	43	52	69	**63**
Total value added	725	651	702	630	**652**
Distribution:					
To employees					
- Salaries and other staff costs	137	148	138	123	**101**
To the Government					
- Corporate taxation	82	43	52	69	**63**
To providers of capital					
- Dividends to the Owners of the Company	104	114	104	83	**82**
- Profit attributable to non-controlling interests	3	6	7	4	**4**
- Finance costs	73	80	64	51	**46**
	180	200	175	138	**132**
To reinvest for future growth of the Group					
- Depreciation and amortisation	29	28	29	40	**40**
- Profits retained by the group	297	232	308	260	**316**
	326	260	337	300	**356**
Total value distributed	725	651	702	630	**652**

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Investors' Information

OSK is committed to ensure reliable and accurate communication on the Group's business strategies, financial performance, and business initiatives to our shareholders, fund managers, analysts, investors and members of the public to enable them to make timely and informed investment decisions. The Group's Investor Relations ("IR") function serves as a gateway through which regular engagements are held with our stakeholders to establish trust, credibility and transparency in the capital markets by providing ongoing updates with regards to our business performance and prospects.

One of the key objectives of our IR team is to maintain clear and comprehensive investors' information, provide timely response to information requests, while supporting equitable access by all stakeholders in our disclosures to Bursa Malaysia and the relevant authorities. 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 in regards to the financial and operating performance of the Group that is 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. These are accompanied by media releases for dissemination to the public, where applicable.

The above reports and links to our announcements can be accessed via the Group's website.

www.oskgroup.com/corporate-announcements

General Meetings

The Group's Annual General Meetings ("AGMs") constitute the most important communication platform between our Board of Directors ("the Board"), the Senior Management team and our shareholders. Shareholders may raise questions, 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 proxy(ies) to represent them during the AGMs and vote on their behalf.

Due to the pandemic, we conducted a virtual AGM to enable all our shareholders to participate in our AGM on a virtual basis, in accordance with the guidelines prescribed by the Securities Commission.

Details of the upcoming AGM are available in the Notice of Annual General Meeting section on pages 338 to 343 of this report.

Corporate Website and E-mail

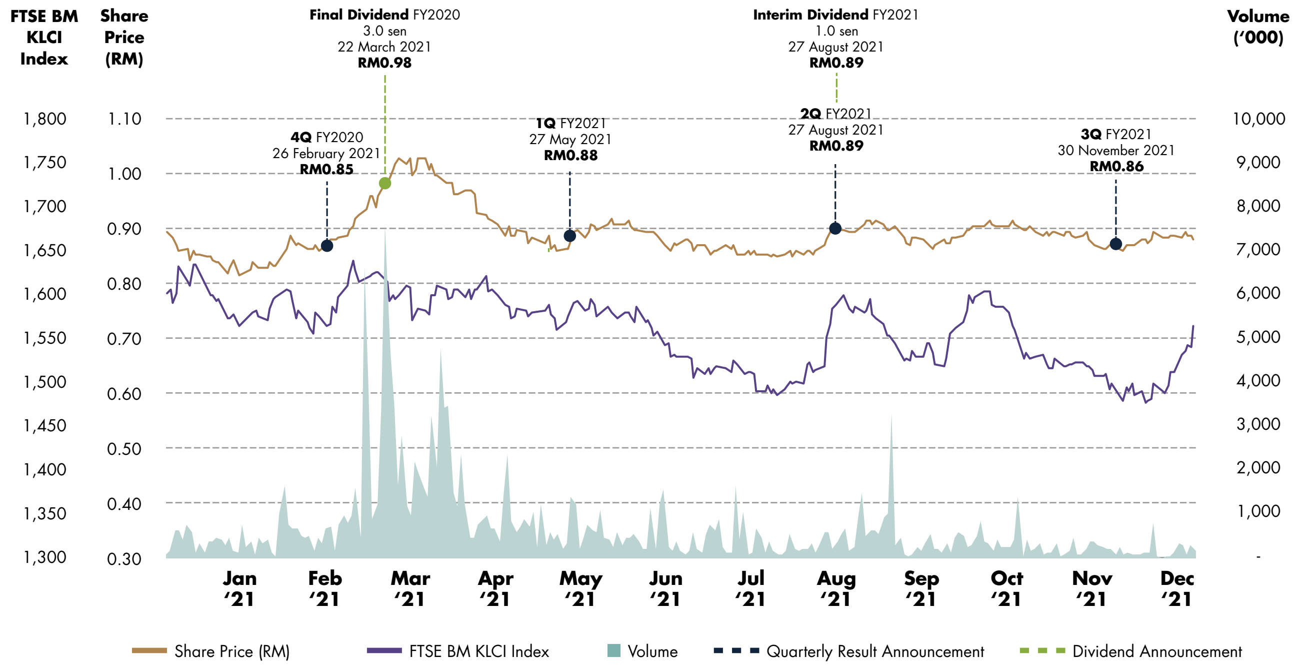
The Group's IR function is led by our Group Chief Financial Officer. The Group IR portal is integrated within the Group's corporate website and is established to facilitate timely, effective, and transparent communication between the Group and the Investment Community.

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

www.oskgroup.com/overview

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Share Price and Volume Traded



	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21
Closing Price (RM)	0.81	0.85	0.99	0.90	0.88	0.85	0.85	0.89	0.86	0.90	0.86	0.87
Volume ('000)	7,153	8,872	48,402	34,951	13,802	12,195	9,101	5,663	13,241	6,846	5,535	3,511
FTSE BM KLCI Index	1,566.40	1,577.75	1,573.51	1,601.65	1,583.55	1,532.63	1,494.60	1,601.38	1,537.80	1,562.31	1,513.98	1,567.53
Bursa Malaysia Property Index	669.05	695.99	754.27	749.24	725.61	699.89	693.68	720.10	719.22	782.14	709.07	703.65

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GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Calendar

Dividends to Shareholders				
Financial year ended	31 December 2020		31 December 2021	
Proposed or declared and paid	Declared and paid	Declared and paid	Declared and paid	Proposed
Dividend description	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 1.0 sen per ordinary share	Single-tier final dividend of 4.0 sen per ordinary share*
Announcement date on the notice of entitlement and payment	28 August 2020	22 March 2021	27 August 2021	28 February 2022
Entitlement date	15 September 2020	26 April 2021	14 September 2021	26 April 2022
Payment date	8 October 2020	11 May 2021	30 September 2021	13 May 2022

Quarterly Financial Results				
Financial year ended	31 December 2021			
Unaudited consolidated results	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021
Quarter ended	31 March 2021	30 June 2021	30 September 2021	31 December 2021
Announcement date	27 May 2021	27 August 2021	30 November 2021	28 February 2022

Annual General Meetings ("AGM")				
AGM	29th	30th	31st	32nd
Financial year ended	31 December 2018	31 December 2019	31 December 2020	31 December 2021
Meeting date	30 April 2019	12 June 2020	21 April 2021	21 April 2022
Mode of meeting	Physical meeting	Virtual meeting	Virtual meeting	Virtual meeting
Venue	Exhibition Hall 4, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Wilayah Persekutuan	Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan		
Time	10:00 am	10:00 am	10:00 am	10:00 am

* The proposed final dividend is subject to Shareholders' approval at the 32nd Annual General Meeting to be held on 21 April 2022.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS


Artist's impression.

We launched the last phase of our Northfield single-storey terrace homes in our Yarra Park township at Sungai Petani in January 2022.


Artist's impression.

Our latest offering of low-density double-storey semi-detached homes, called Erama, in the Iringan Bayu township in Negeri Sembilan comes with a reasonable price tag and generous open spaces with inter-linked gardens.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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.

OSK Group also manage and operate retail and office spaces, in addition to hospitality offerings. Our property development and property investment projects span across Peninsular Malaysia and we are growing our overseas presence with our integrated development Melbourne Square located in Melbourne, Australia.

For more about **PROPERTY DEVELOPMENT**, please scan the QR code for more information.

www.oskproperty.com.my

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

Revenue RM688.7 million

Core PBT RM175.7 million

Share of Profits of Associates RM41.9 million

Performance Highlights

Sales RM851 million

Unbilled Sales RM869 million

Unsold GDV RM850 million

A beautiful view of sunrise at Iringan Bayu Wetland Park.

MIRA at Shorea Park is the first phase of our freehold integrated development, Shorea Park, located in the thriving township of Puchong South.

Operations Review

Operating Environment

Malaysia

The year 2021 had been an eventful, challenging yet productive year, following the disruptive impacts of COVID-19 from the previous year. The resurgence of coronavirus infections in the first quarter saw the re-imposition of stringent movement restrictions and a national State of Emergency ("MCO 2.0") announced on 11 January 2021. MCO 2.0 took effect from 13 to 26 January 2021, and was later extended to 4 February 2021.

The escalation of the pandemic which led to a Full Movement Control Order ("FMCO" or "MC0 3.0") period from May to July 2021 further dampened earlier sentiments of a quick recovery by end 2021. Movement restrictions and a cap on operating hours during FMCO significantly impacted on all economic sectors, including the property market as reflected in lower overall property transactions.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

On a broader level, the extended supply chain took a hit as the pandemic swept across the globe causing shortages of raw materials and labour. This has brought about soaring commodity prices for iron ore, aluminium and copper and raised labour wages, which impacts overall construction costs in the property sector.

Nonetheless, market prospects and home buying sentiments improved in the later part of the year as businesses returned to full capacity following the relaxation of movement restrictions as most states progressed to advanced stages of the National Recovery Plan. Thus, the economic sectors improved the financial outlook of consumers and created a conducive environment for property purchases.

We would like to take this opportunity to extend our appreciation to the Malaysian Government for the initiatives taken to help sustain the property market during the crisis, which include extension of the Home Ownership Campaign ("HOC") (stamp duty and transfer fee exemptions); extension of moratorium on loan repayments (expanded to include alternate option of 50% reduction on monthly repayment); and retention of the Overnight Policy Rate at a low of 1.75% by Bank Negara Malaysia.

We believe the disruptions and implications caused by COVID-19 pandemic will continue to test the resilience of the property industry. From the financial and operational standpoint, OSKP maintained its strong footing through our long-term strategy of small, targeted launches, offering quality homes at an affordable price range, and our ability to manage our costs through our Property-Construction partnership ("Prop-Con") model. This strategy has proven to be right approach as it enabled us to tide through these challenges with confidence and, at the same time, leveraged new opportunities in the market.

The Group's Prop-Con model is an in-house initiative aimed at driving strategic collaboration between the Property Development and Construction teams to optimise construction costs by enhancing our delivery efficiency, especially during the early stages of a project.

Testament to our commitment to deliver excellence in our properties, OSK Property is pleased to be recognised as a leading property player in Malaysia, garnering multiple industry-leading awards during the year, in spite of the challenging operating environment.

The Edge Malaysia Property Excellence Awards 2021

- The Edge Malaysia Top Property Developers Awards 2021 (ranked #10)
- Outstanding Overseas Project Award – Melbourne Square

The StarProperty Awards 2021

- All-Stars Award
- The Landscape Award (Township) [Excellence] – Iringan Bayu
- The Starter Home Award (Landed) [Honours] – Iringan Bayu
- The Family-Friendly Awards (Landed) [Merit] – Iringan Bayu

iProperty Development Excellence Awards 2021

- Best Developers – People's Choice Award
- Community CSR Award
- Best Lifestyle High-Rise Development – Ryan & Miho

Australia

Over in Australia, the strong momentum carried forward from 2020, coupled with proactive monetary and fiscal stimulus measures implemented by the Australian Government in response to the COVID-19 pandemic had contributed to a year of significant growth in the country's residential housing market.

The estimated value of Australia's residential real estate rose from AUD$7.2 trillion in end-November 2020, to reach a record high of AUD$9.4 trillion in a year. In addition, sales volumes increased to an estimated 614,635 in 2021, the highest level in almost 18 years, as the average value of residential properties increased 22.2% in the 12 months to November 2021, the highest increase since 1989.

> Australia's residential real estate rose from AUD$7.2 trillion in end-November 2020, to reach a record high of **AUD$9.4 trillion** in a year.

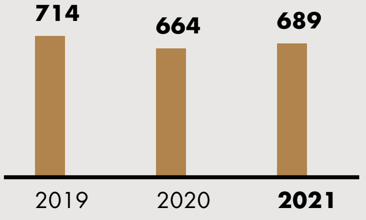
The strong uptick in the housing market throughout 2021 was driven by several factors including a low interest rate environment, fiscal support, high level of household savings, and relatively low incoming supply in the market. Changing lifestyle and employment trends had also contributed to the market dynamics as working from home and flexi work hours fast became long-term options in response to the COVID-19 crisis.

However, the strength of the residential market was concentrated in the landed segment, with the apartment market experiencing soft demand due to the continued border restrictions, which led to a lower number of student rentals and a dearth of international tourists.

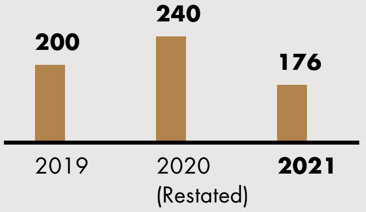
Leveraging on the attractive proposition of Melbourne Square ("MSQ") as an integrated and a highly liveable development, our team in Melbourne directed our efforts on selling the remaining units in the completed Stage 1 of MSQ, through innovative and effective marketing strategies including virtual tours, private viewing of our display suite and display apartment, as well as attractive furnishing packages and savings for home purchasers.

Financial Performance

Revenue
(RM'million)

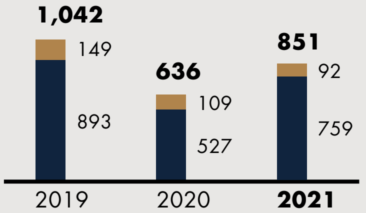


Core PBT
(RM'million)

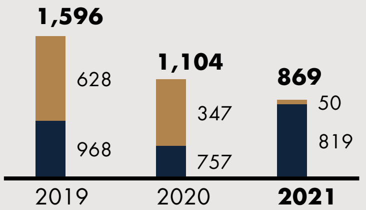


Performance Metrics

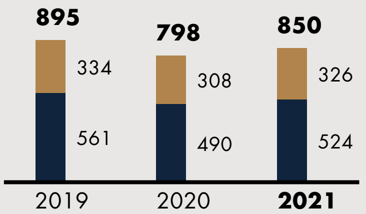
Property Sales
(RM'million)



Unbilled Property Sales
(RM'million)



Unsold GDV
(RM'million)



● Malaysia ● MSQ

Financial Performance

The Property Development Division continued to focus on residential developments across high-rise projects and townships and, where applicable, encompass commercial and retail components. We aim to deliver good value and high quality products for our customers in a timely manner, in line with the brand promise of OSK Property.

Artist's impression.

MIRA at Shorea Park's serviced apartments come in practical layouts specially designed for families, young professionals and couples who are in search of an affordable home within an established and matured neighbourhood.

The Group's property development footprint spans across the Klang Valley, Kedah, Penang and Negeri Sembilan in Peninsular Malaysia, as well as in Melbourne, Australia.

The Division recorded a revenue of RM688.7 million and a core PBT of RM175.7 million in FY2021, compared with a revenue of RM664.5 million and a core PBT of RM239.8 million in FY2020. Despite the challenging operating landscape, the Division recorded net property sales of RM851.0 million from new launches, ongoing and completed projects in Malaysia and Australia.

OSK

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Initiatives & Business Updates

In Malaysia, the Group launched RM883.2 million worth of properties during the year, compared with RM502.4 million in FY2020.

In Kedah, five new phases of freehold landed properties were launched in Bandar Puteri Jaya, Sungai Petani, comprising single-storey terraces, semi-detached and bungalow homes, as we continue to expand our existing township:

Eastfield, Yarra Park, comprising 132 units of single-storey terrace homes with a GDV of
RM51.2 million

Two phases in Southfield, Yarra Park, comprising 98 units of single-storey semi-detached homes, and three units of single-storey bungalow homes in Precinct 1 and 66 units of single-storey bungalow homes in Precinct 2, with a combined GDV of
RM93.0 million

One sub-phase of Northfield comprising 141 units of single-storey terrace homes with a GDV of
RM43.8 million

Westfield comprising 38 units of single-storey semi-detached homes with a GDV of
RM19.6 million

In the same year, we had completed the construction of a hypermarket in Bandar Puteri Jaya, which is occupied by a Lotus's Store (formerly known as Tesco). The hypermarket, which opened on 13 January 2022, will be a catalyst that adds further value and enhances the host of amenities available in the township.

Iringan Bayu in Negeri Sembilan is our second freehold township development after Bandar Puteri Jaya in Kedah. The 770-acre Iringan Bayu township in Seremban is designed to enable residents to enjoy unparalleled serenity in a modern setting. Nestled in a gated and guarded neighbourhood, Iringan Bayu features a 22-acre Wetland Park that promotes natural biodiversity and communal activities, while promoting the importance of conservation. It is also a place for residents to unwind after a long day and spend quality time with family and friends.

As a biodiversity hotspot, the Iringan Bayu Wetland 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.

As the township continues to mature, the Property Development Division released Phase 8 of Iringan Bayu in 2021 as follows:

Phase 8A Erama comprising 180 units of single-storey semi-detached homes with an estimated GDV of
RM102.6 million
- launched in March 2021

Phase 8B1 Erama comprising 86 units of double-storey semi-detached homes with an estimated GDV of
RM63.4 million
- launched in August 2021

Phase 8C Gitaran comprising 306 units of double-storey terrace homes with an estimated GDV of
RM146.1 million
- launched in November 2021

For further details about our efforts in supporting biodiversity and conservation at our Iringan Bayu township, please refer to our Sustainability Report 2021.

In the Klang Valley, we launched the first phase of our mixed-used Shorea Park development in Puchong, known as MIRA at Shorea Park in August 2021. The project comprised 908 units of freehold serviced apartments with an estimated GDV of RM363.5 million.

Ryan & Miho, located in Section 13, Petaling Jaya, was completed and handed over to our purchasers in 2021.

During FY2021, OSK Property also successfully handed over 1,708 units of residential homes to our purchasers with the completion of the Semaya phase in Iringan Bayu township; Ryan & Miho in Section 13 Petaling Jaya; as well as Residensi Harmoni, Somerville Zone 2, and Westfield Zone 1 in Bandar Puteri Jaya.

> During FY2021, OSK Property also successfully handed over **1,708 units** of residential homes to our purchasers.

The strong synergy achieved as a result of our successful Prop-Con model has enabled us to complete our projects ahead of schedule with good quality. Proudly, we accomplished a Quality Assessment System in Construction ("QLASSIC") score of 75% for Semaya, 80% and 84% for Ryan & Miho's Block A and Block B respectively, 84% for Somerville Zone 2 and 82% for Westfield Zone 1 in Bandar Puteri Jaya.

We made a conscious effort to carefully time the release of new launches, while managing unsold inventory of our ongoing projects, as well as unsold completed units. The unsold completed inventory was kept at a minimal as at the end of FY2021, as we continued to strengthen our business recovery measures moving forward.

As the COVID-19 outbreak stretches on, we experienced an increase in the number of first-time home buyers who are seeking more space to balance their lifestyle and work needs. As such, we have introduced attractive sales packages that support easy homeownership for young professionals. This was in part boosted by the Government's move to extend the nationwide HOC until 31 December 2021. The HOC provided stamp duty exemptions on the Instrument of Transfer and the Instrument on Loan Agreement that enable significant savings for homebuyers and accelerate economic recovery in the property industry.

A greater embrace of digitalisation and virtual experiences will be the way forward for the entire property sector in reaching out to prospective purchasers, such as online viewing and end-on-end purchase process. To overcome movement constraints, OSK Property introduced our virtual vacant possession ("VP") handover to homeowners who were unable to attend physically. We had intensified our digital engagements across all customer touchpoints, which have played a key role in helping us achieve commendable take-up rates for our ongoing projects.

Partnership Ventures in Malaysia and Australia

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

The Group's first joint venture partner was Agile Group Holdings Limited (a Hong Kong-based public listed company via a wholly-owned subsidiary in Malaysia) to undertake the Agile Mont Kiara development (www.agilemalaysia.com.my/mont-kiara) in Kuala Lumpur. The second joint venture partner was the Employees Provident Fund ("EPF") of Malaysia to develop our flagship integrated MSQ development (www.melbournesquare.com.au) in Melbourne, Australia.

Agile Mont Kiara comprises 813 units of serviced apartments with an approximate GDV of RM1.2 billion. As of end-FY2021, Agile Mont Kiara was fully sold and substantially handed over to unit owners.

MSQ, our maiden integrated property development project in Australia, comprises residential, retail, office and hotel components, and is strategically located in the Southbank district in Melbourne city. The five-acre site where MSQ is located within walking distance from the Crown Casino, the art precinct, Botanical Garden, Melbourne Convention and Exhibition Centre, South Melbourne Market, DFO South Wharf and the Flinders Street Railway Station.

The MSQ development consists of six towers, which will be developed over five stages. Stage 1 of MSQ, with a total GDV of approximately AUD$960.0 million (approximately RM2.9 billion, AUD$1.0 = RM3.0289 as of 31 December 2021), comprises two residential towers – East Tower with 67 levels and West Tower with 52 levels – with a combined 1,054 units of residential apartments and a 6,200 m^2 of retail podium offering a comprehensive range of lifestyle amenities for residents. The resort-style indoor and outdoor facilities include heated swimming pools, gymnasiums, a music room, dining lounges, a games room, a cinema, a golf simulation and others. The project also offers a 3,745 m^2 urban park with lush green space and water features.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

To-date, Stage 1 of MSQ has been fully completed and the final batch of apartments have been handed over to purchasers in phases. The completed Stage 1 boasts a retail podium that includes Victoria's flagship full-line Woolworths supermarket spanning two levels, a BWS liquor store, an 87-place childcare centre, as well as cafes and restaurants. In May 2021, the entire retail podium was sold to Perth-based investment group Primewest for AUD$70.0 million, reflecting positive interest and confidence in the development.

In terms of sales and settlement of the residential units, 78% of units had been sold, of which 97% has been fully settled as of end-FY2021. The Management focused on rolling out various sales activities throughout the year and in the coming months to sell the balance completed units, targeting locals and owner-occupiers.

We are pleased to report that MSQ was accorded The Edge Malaysia Outstanding Overseas Project Award 2021, which recognises exceptional overseas projects undertaken by Malaysian property developers outside of Malaysia. In addition, MSQ was also shortlisted by UDIA Victoria (Urban Development Institute of Australia) for the 2021 Awards for Excellence in the High Density Development category. Winners of the UDIA Awards will be announced in March 2022.

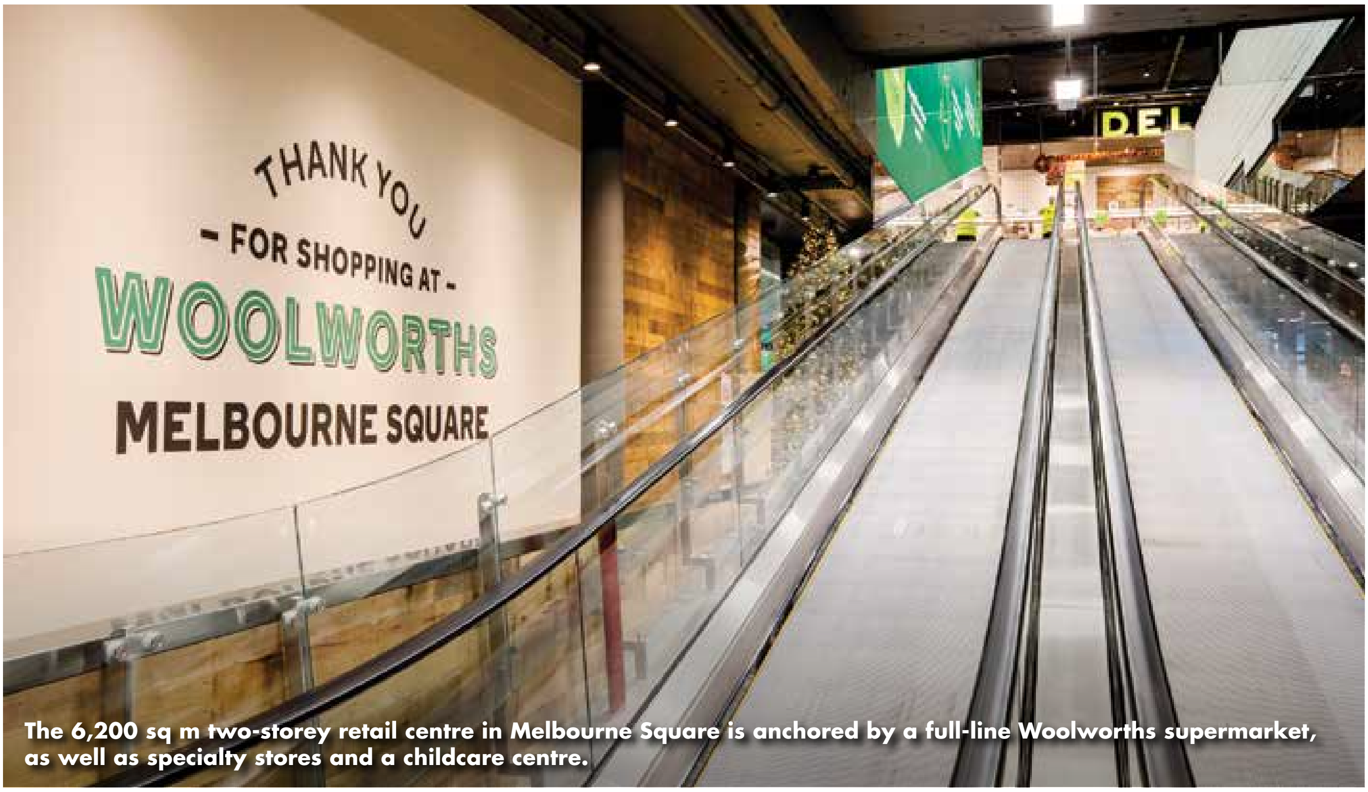
Planning for the remaining four stages of MSQ is underway. The combined GDV for these stages is estimated at AUD$1.8 billion, comprising two residential towers, a hotel, and an office tower. The timing for these launches and commencement of construction for the remaining towers are subject to prevailing market conditions in Australia, particularly in Melbourne.

Land Banking for Sustainable Growth

The Property Development Division took cognisance of the importance of replenishing our land bank to ensure continuity in our property pipeline and sustainable growth in the future.

During FY2021, we completed the acquisition of a piece of leasehold land measuring 15 acres in Shah Alam. Additionally, we successfully acquired an additional piece of freehold land in Seremban, adjacent to our existing Iringan Bayu township, measuring 860 acres. The new acquisition will reinforce our presence in Seremban and enable us to create a meaningful and sizeable township in the locale. It is estimated that these two pieces of land will yield a combined GDV of RM2.9 billion over the next 10 years.

In strengthening OSK's position as a leading property player in our key markets, the Group will continue to pursue strategic land banking opportunities which sets the foundation for long-term growth. As of end-FY2021, the Group has a total land bank of 1,978 acres of developable land with an estimated GDV of RM12.5 billion in Malaysia, and 2.7 acres of land in Australia with an effective GDV of RM2.2 billion in Melbourne, Australia (representing OSK's share in the MSQ project).



The 6,200 sq m two-storey retail centre in Melbourne Square is anchored by a full-line Woolworths supermarket, as well as specialty stores and a childcare centre.

Key Risks	Mitigation Measures
New Normal: COVID-19 risk at the workplace	Our main approach in mitigating COVID-19 risk as our workforce return to the workplace is to encourage and assist all OSKers to sign up for the national vaccination program, while ensuring strict compliance to preventive measures through established COVID-19 SOPs. We continue to implement various checkpoint controls and ensure effective protection of our employees, customers, business partners and all stakeholders against the coronavirus.
Regulatory compliance risk	We closely monitor the latest developments in the compliance landscape with an aim to ensure that we comply with all required regulations as a responsible property developer. Our existing governance structure enables us to gain insights from various support functions to ensure that we achieve the highest level of compliance in all jurisdictions.
Development risk	The broader property market is experiencing a tangible increase in construction cost, primarily due to supply chain and labour disruptions, a direct result of international travel and border control measures. In this aspect, we remain cautious in managing our contractual obligations and operational efficiencies. Our internal Prop-Con strategy will be able to add an additional layer of defence against the risk of cost overruns and delays in our projects.

Outlook for 2022

As Malaysia achieves its vaccination target, and barring any emergence of more virulent and deadly strains of the COVID-19 virus, we foresee a more stabilised property market with improved employment outlook and consumer confidence, as well as a continuation of the low interest rate climate in the coming year.

With affordability remaining as one of the most important aspects in homeownership today, we strive to make our homes affordable and continuously add value to all our projects by incorporating practical and sustainable features such as green living, easy accessibility, and rich surrounding amenities.

Our principal philosophy in designing upcoming products will be based on practical necessities in the New Normal, as well as fundamental values of communal living encapsulated in our "Essential Homes" series.

The spirit of "Essential Homes" will be incorporated into our future launches for Shorea Park in Puchong; LEA by the Hills in Taman Melawati; Rubica in Butterworth; as well as our projects in Shah Alam, Iringan Bayu and Bandar Puteri Jaya.

> "The Group's planned launches in FY2022 are expected to deliver a combined GDV of approximately **RM1.4 billion.**"

In view of the anticipated improvement in market sentiment, the Group's planned launches in FY2022 are expected to deliver a combined GDV of approximately RM1.4 billion, namely:

(i) New and ongoing projects in the Klang Valley:
- Phase 2 Tower A at Shorea Park comprising 375 units of freehold serviced residences with a GDV of RM186.0 million;
- LEA by the Hills comprising 344 units of low-density condominium units with a GDV of RM197.3 million and 275 units of Ruman Selangorku ("RSKU") with a GDV of RM63.0 million;
- Phase 1, Section 13 in Shah Alam (Shah Alam land) comprising 597 units of high-rise condominium units with a GDV of RM242.7 million; and
- Phase 1 Tower A (Sentul land) comprising 251 units of condominium units with a GDV of RM119.1 million.

(ii) Iringan Bayu in Seremban, Negeri Sembilan:
- Phase 8B2 Erama comprising 56 units of double-storey semi-detached homes with a GDV of RM44.0 million;
- Phase 8D Gitaran comprising 316 units of double-storey terrace homes with a GDV of RM145.9 million; and
- Phase 1A comprising 160 units of affordable houses (RMM-Type A) with a GDV of RM17.0 million.

(iii) Bandar Puteri Jaya, in Sungai Petani, Kedah:
- Northfield Zone 3 comprising 171 units of single-storey terrace homes with a GDV of RM53.1 million;
- Low Cost 1A comprising 160 units of strata low-cost apartments with a GDV of RM7.3 million;
- Springfield Zone 1 comprising 246 units of single-storey terrace homes with a GDV of RM79.4 million;
- Springfield Zone 2 comprising 110 units of double-storey terrace homes with a GDV of RM45.7 million; and
- Springfield Zone 3 comprising 36 units of double-storey semi-detached and four units of double-storey bungalow homes with a GDV of RM25.1 million.

(iv) New projects in Butterworth, Penang:
- Rubica, a high-rise project comprising 230 units of high-rise serviced residences with a GDV of RM128.8 million; and
- Pangsapuri Suria, an affordable project comprising 439 units of low-cost apartments with a GDV of RM18.4 million.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY INVESTMENT

Atria SHOPPING GALLERY DAMANSARA JAYA

FABER TOWERS RETAIL • OFFICE • MEETINGS

The Property Investment Division of the Group manages our prized commercial assets located in well-established and thriving locations in the Klang Valley. The assets comprise 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 combined net lettable area of 1.2 million ft^2.

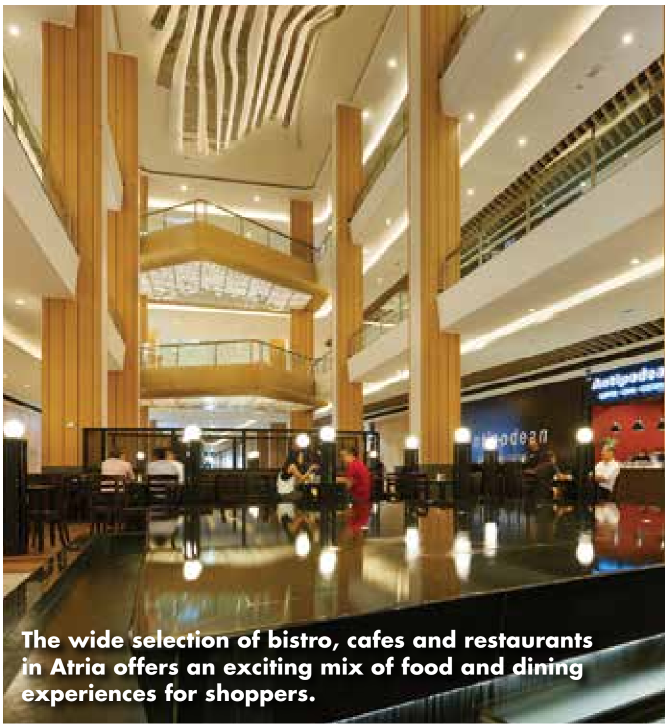
www.atria.com.my

www.fabertowers.com.my

For more about **PROPERTY INVESTMENT**, please scan the QR code for more information.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Aerial view of Atria Shopping Gallery in Damansara Jaya, Petaling Jaya.


The wide selection of bistro, cafes and restaurants in Atria offers an exciting mix of food and dining experiences for shoppers.

Atria, a well-known neighbourhood mall in the heart of Damansara Jaya, offers a exciting selection of specialty retail stores including groceries, food and beverage, health, beauty, entertainment, sports, fashion and education. Some of Atria's noteworthy tenants include MBO Cinemas, Village Grocer, Anytime Fitness, Dynasty Dragon, Ace Hardware, Mr DIY, Jungle Gym and Sports Direct.

Plaza OSK, home to the headquarters and the subsidiaries of OSK Group and strategically located in the heart of Kuala Lumpur City Centre, is a 24-storey building anchored by two banking halls (one operated by RHB Bank as a branch and the other by the Bank of China as its head office in Malaysia), the Embassy of the People's Republic of China, Uganda High Commission, Xiamen Airlines, China Southern Airlines, China Eastern Airlines, MyNews, and other corporate offices.

Faber Towers, bearing the distinction of being one of the earliest skyscrapers built in Kuala Lumpur, is an 18-storey twin office towers with a three-storey retail podium located in Taman Desa, Seputeh, Kuala Lumpur. A key landmark in Taman Desa, Faber Towers comprises 157 units of upgraded office spaces, and offers a host of shopping, lifestyle, events and enjoyable dining experiences for visitors.

Operations Review

Operating Environment

Atria

The retail climate in Malaysia was affected by the implementation of various stages of MCO during the first three quarters of FY2021, before a gradual improvement in shopping traffic in major shopping centres when the Government relaxed restriction on the number of passengers in a vehicle, as well as the limit on personal travel distance on 21 August 2021. This was similarly reflected in the Malaysian Institute of Economic Research's Consumer Sentiments Index, which surged 37.4 points to 101.7 in 3Q2021, surpassing the 100-point optimism threshold since 3Q2018 signalling that Malaysian consumer sentiments were improving with the easing of COVID-19 pandemic-driven movement restrictions.

Recovery in the country's retail sector grew further as Selangor moved into Phase 4 of the National Recovery Plan in October 2021 when 60% vaccination rate of adults was achieved in the state. This could be seen through a gradual recovery in footfall, though still a far stretch from pre-COVID days.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Strategically located between Kuala Lumpur and Petaling Jaya with direct access to Old Klang Road, the Federal and North-South Highways, Faber Towers is the perfect spot to set up your office or host your next meetings, seminars or events.

Despite being a well-established community mall, Atria was not insulated from the impacts of MCO. Adding to the challenging operating landscape in FY2021 was tenancy renewal where we continued to manage tenant attrition, built strong relationships with our tenants and supported business continuity through measures such as our rental assistance programme, as well as promotional campaigns and online sales events to generate public interest and increase consumer spending. Notably, the soft retail landscape also led to a squeeze in rental rates and higher demand for shorter tenancy periods in view of the uncertainties ahead.

Nonetheless, Atria demonstrated a high level of resilience amidst the challenging environment as 73% of our tenants renewed their tenancies. In addition, we had also secured 10% new tenants before closing the year with an occupancy rate of 86%.

Ensuring a good tenant mix to appeal to all groups and evolving consumer interests is key to delivering a complete customer experience and increase footfalls in the long run. Our Atria team is committed to ensuring a satisfying shopping experience for our shoppers by putting together the right mix of tenants to suit the lifestyle needs of our immediate catchment within the Damansara area and the golden triangle of Petaling Jaya.

New tenants who joined Atria during the year include Ivory Dental, Texture by C3 Lab, Xiaomi, Book Xcess, Kitchen Connect, RUMA flagship store, Eh Gadget, and Aqara & Artesa Bespoke. In line with the lifting of COVID-19 restrictions, the MBO cinema halls under its new owners, had also re-opened in December 2021. Collaborative marketing efforts are underway to increase the flagship cinema's footfall.

COVID-19 has transformed consumers' lives with an acceleration of digital adoption in the consumer experience. This change in consumer behaviour requires retailers to re-strategise their approach and rethink consumer decision patterns. One way of adapting to the Next Normal would be for retailers to incorporate online services into their business model, such as providing online purchase (e-commerce) options and have it delivered to their homes.

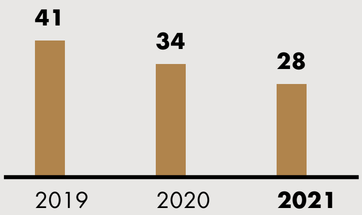
Plaza OSK and Faber Towers

The commercial and office tenancy segment on the other hand, though no less challenging, was largely stable. Economic headwinds as well as adaptations to the new norm of hybrid working and working remotely have led to a consolidation of business operations, as well as deferment of tenants' expansion plans. During the year, some of our office floors were refitted into more flexible layouts with modern designs at reasonable rates for smaller-sized enterprises.

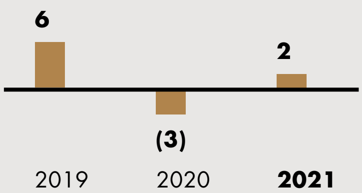
Faber Towers' average occupancy rate was well supported by our vibrant retail podium, which is 96% tenanted. The commercial building also benefitted from the shift in businesses actively seeking to reduce or put on hold non-essential expenditure by downsizing or relocating to a more cost-friendly environment. On the other hand, Plaza OSK, with its strategic location within walking distance to LRT stations and established amenities within the KLCC area, continued to maintain a healthy occupancy rate with no major changes to its anchor tenants. Faber Towers and Plaza OSK's occupancy rate stood at 74% and 91%, respectively, as of end-FY2021.

Financial Performance

Revenue
(RM'million)

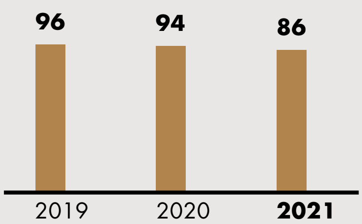


Core PBT
(RM'million)

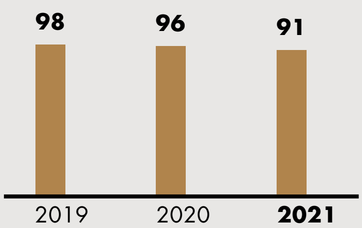


Performance Metrics

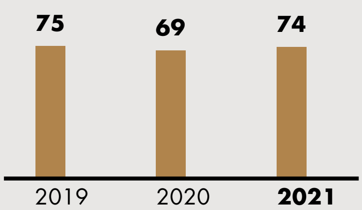
Atria's Occupancy Rate
(%)



Plaza OSK's Occupancy Rate
(%)



Faber Towers' Occupancy Rate
(%)



Financial Performance

The Property Investment Division recorded a revenue of RM28.5 million and a core PBT of RM2.0 million in FY2021 compared with a revenue of RM33.8 million and a Core Loss Before Tax of RM2.6 million in FY2020.

Key Initiatives & Business Updates

Atria

As a responsible mall operator, the Management had invested a significant amount of attention and resources into protecting the safety and health of our employees, shoppers, tenants and business partners throughout the FY2021. Going beyond compliance, prioritising the well-being of our stakeholders is a commitment that we continue to uphold since onset of this crisis. Some of the COVID-19-related measures and initiatives undertaken at the mall during the year include:

- Ensure MySejahtera check-ins and enhanced screening and safety checks at mall entrances;
- Installed thermal scanners and hand sanitiser dispensers at mall entrances;
- Promote social distancing through proper signages at all common areas and facilities such as escalators, lift lobby, inside the lifts, and washrooms;
- Frequent sanitisation of common areas and public amenities;
- Frequent disinfection of high-touch surfaces;
- Organised COVID-19 awareness and training and updates for employees and tenants;
- Serve as PPV Centre operated by Hospital Sg Long for COVID-19 vaccination with an average of 800 vaccinations delivered daily since January 2022; and
- Compliance with all applicable SOPs issued by the Ministry of Health ("MOH") and the National Security Council ("NSC").

To reduce the impact to our bottom line, we focused our efforts in cost containment measures. For instance, we optimised our energy consumption for common areas including lightings and air-conditioning during low periods. The team in Atria also took the opportunity to reassess and defer non-critical asset enhancement initiatives, repairs, and maintenance to preserve our cash flow to pre-empt potential impacts.

Despite the significant challenges we faced, we have not forgotten to give back to society and the community who has supported us throughout the pandemic. In the FY2021, we collaborated with OSK Foundation to express our gratitude to our frontliners for their hard work and sacrifice in battling the coronavirus via the Frontliners Appreciation Campaign. During the campaign, we distributed close to RM40,000 complimentary Atria gift vouchers to our frontliners including the police, fire brigade, doctors, nurses, pharmacists, and the army to be spent at the mall's F&B and grooming outlets.

Additionally, together with OSK Foundation, we continued to partner the Alzheimer's Disease Foundation Malaysia and Lions Club International to jointly launched the ADFM Virtual Memory Walk during the World Alzheimer's Month celebration in September 2021 ("WAM 2021"). A total of 300 pieces of customised reusable face masks were distributed to shoppers in conjunction with WAM 2021 to help raise awareness about dementia and the importance of early diagnosis of the disease.

For further discussion on Atria's ESG efforts during 2021, please refer to our Sustainability Report 2021.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Plaza OSK, the headquarters of OSK Group, maintained a stable occupancy rate in 2021.

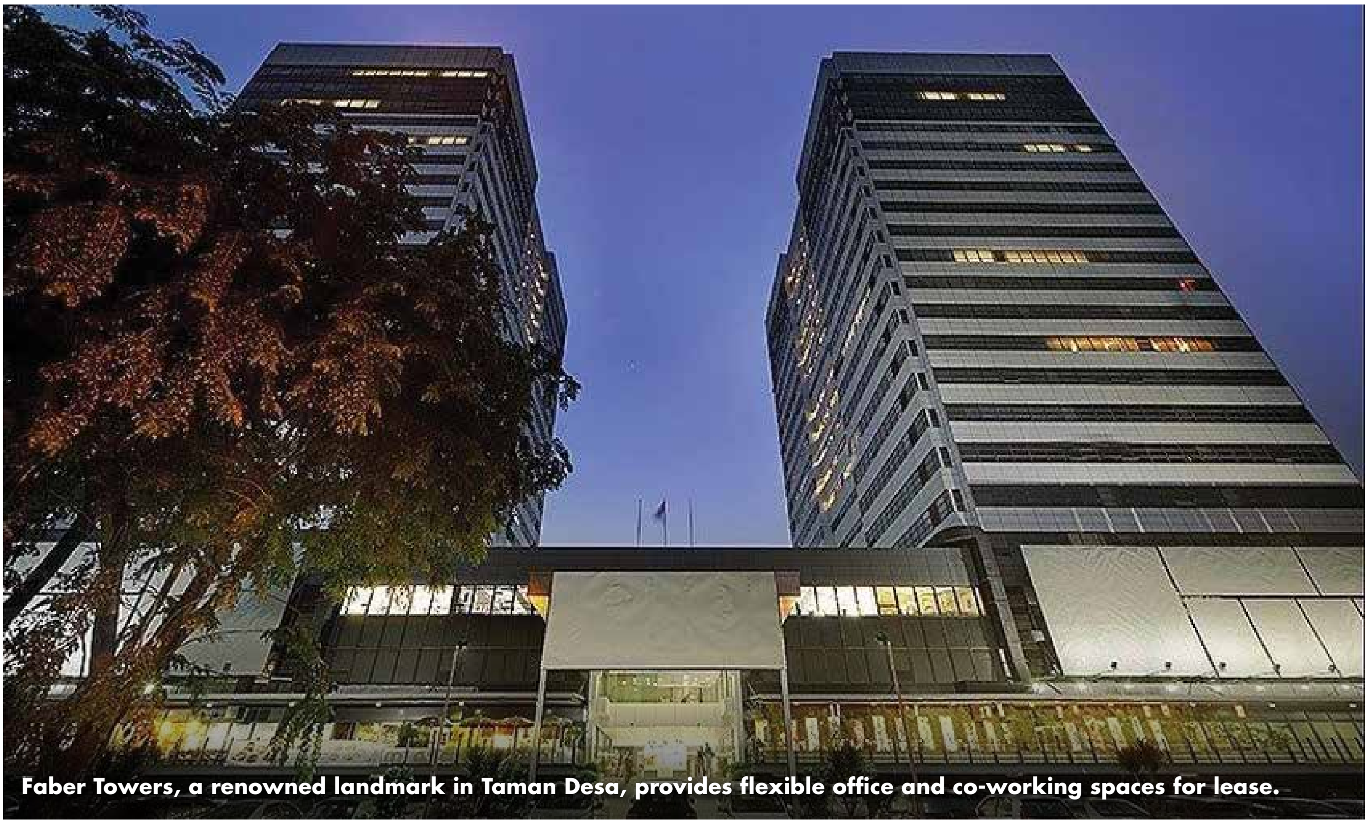
> To ensure a comfortable, efficient and safe working environment for building occupants, the team at Plaza OSK diligently carried out COVID-19 control measures and modernisation efforts in the FY2021.

Plaza OSK and Faber Towers

Close engagement and providing value-added support was key in mitigating the challenges faced by our tenants in Plaza OSK and Faber Tower during the various phases of MCO throughout the year.

To ensure a comfortable, efficient and safe working environment for building occupants, the team at Plaza OSK diligently carried out COVID-19 control measures and modernisation efforts in the FY2021. These include replacing the building's ageing lift system with intelligent, contactless lifts equipped with destination control to minimise exposure to high-touch surfaces, repainted and retrofitted new lights in our basement car park, and refurbished ageing restrooms.

In line with our ESG plan, we target to install solar photovoltaic panels at the rooftop of Plaza OSK to generate renewable energy for the consumption of identified common areas.


Faber Towers, a renowned landmark in Taman Desa, provides flexible office and co-working spaces for lease.

Key Risks	Mitigation Measures
Tenant partnership risks	• Introduce revenue-sharing tenancy and pop-up stores for easy entry by smaller retailers. • Implement tenant-centric programmes such as sales-driven marketing campaigns to boost tenants' sales and increase mall traffic. • Organise festive/ thematic/ signature events/ CSR campaigns to attract shoppers with potential spill-over spending to increase tenants' sales.
Customer and community health risks	• Consistent implementation of recommended SOPs to mitigate the transmission of COVID-19 within our premises. • Atria assisted the national vaccination drive by supporting the setting up of a PPV to deliver COVID-19 vaccines to the local community.

Outlook for 2022

Atria

In its Malaysia Retail Industry Report published in November 2021, Retail Group Malaysia (RGM) projected a 6% growth rate for the retail industry in 2022. The current high vaccination rate of 78.8% achieved for the overall population (as of 11 February 2022) and the active rollout of booster doses by the Ministry of Health are seen as positive moves as it not only helps mitigate the spread of Omicron, but also reduces the possibility of further lockdown(s), which may hamper the recovery of the retail sector.

Barring unforeseen disruptions such as a fourth wave of COVID-19 infections, most retailers are expecting a gradual recovery of retail sales in 2022. This may be further boosted by reopening of national borders and easing of quarantine restrictions, which will encourage the return of international tourists to Malaysia to further spur retail spending.

This could have a spill-over effect for shopping malls as it is still one of the preferred places for leisure and recreation, and to fulfil consumers' daily needs and wants. In line with the shift in consumer spending pattern, we foresee key growth to take place in the retail sub-sectors of home living and fixtures, food & beverage, electronics, and sports equipment. Children's education and personal enrichment services may also gain pace once the vaccination rate for children achieves its target.

"Our country begins its journey towards the endemic phase of COVID-19 along with the full re-opening of our national borders effective 1 April 2022."

Nonetheless, retailers' success in capturing the market in the Next Normal is still largely dependent on their ability to adapt and innovate their approach, such as providing experiential retail both within and outside shopping malls, as well as influencing consumer decision journey through omnichannel and immersive shopping experiences.

As our country begins its journey towards the endemic phase of COVID-19 along with the full re-opening of our national borders effective 1 April 2022, the retail sector is expected to regain its momentum to pre-COVID-19 levels with businesses and livelihoods returning to normalcy in the near future.

Plaza OSK and Faber Towers

The future of commercial and office spaces continues to shift to adapt to the growing acceptance of hybrid and remote work arrangements. Larger work spaces may be required in the future to accommodate physical distancing practices, and layouts may be shifted for set-ups that facilitate "hot desking" or other collaborative or shared work space environment. Reorganising some of the vacant floors in the premises will be explored to suit such demand.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

CONSTRUCTION

OSK Construction is a reputable builder with a strong track record of timely and quality delivery. OSK Construction is a registered Class A and G7 contractor with Pusat Khidmat Kontraktor ("PKK") of the Ministry of Works Malaysia, and the Construction Industry Development Board ("CIDB"), respectively.

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

For more about **Construction**, please scan the QR code for more information.

www.oskconstruction.com

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Built by OSK Construction, the completed Semaya single-storey homes in Iringan Bayu achieved a commendable QLASSIC score of 75%.

Construction in progress at YOU CITY III.

Operations Review

Operating Environment

A spike in daily transmission cases through the second and third quarters with various containment measures unavoidably impacted the productivity of our construction team for ongoing and new projects. To a certain extent, despite the construction industry being among the first to be allowed to operate, compliance of the required SOPs resulted in minimal completion of works during the various phases of the National Recovery Plan across the Klang Valley, Kedah, and Negeri Sembilan.

In tandem with operating restrictions, the construction and building industry also experienced an unprecedented disruption in the supply of raw materials, accompanied by labour shortages due to tightened border controls and national lockdowns. Consequently, building materials such as wire, aluminium, glass, iron and steel, cement and wood products saw price increases of between 21% and 75% in August 2021 compared with end-2020. Wages for general construction workers also increased in 2H2021 causing an erosion of profit margins for the projects secured.

As a responsible builder, our full compliance with COVID-19 SOPs and the Workers' Minimum Standards of Housing and Amenities Act 2019 or "Act 446", which was fully enforced on 26 November 2020 to prioritise the provision of appropriate accommodation, basic amenities, hygiene, and safety for our workers, also took a toll on our operating cost.

Additionally, our Construction Division extended full support to the Government's vaccination programme, where all our employees and workers were vaccinated and underwent screening. Only those who tested negative were allowed to work at our respective sites. Throughout FY2021, close monitoring was carried out to monitor the latest developments and mitigate potential concerns that may impact project delivery, and most importantly, the health and safety of our employees and workers.

In spite of the significant challenges faced by the team, OSK Construction successfully completed and handed over 312 single-storey homes for the Semaya phase (Phase 3A) in Iringan Bayu, and 1,084 serviced residence units in Ryan & Miho to the developer within the contractual timeline.

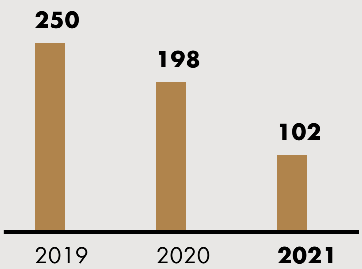
The accomplishment was the result of swift intervention by the Management team in taking decisive action to adapt to the New Normal, as well as the efficient execution of our project team in carrying out the SOPs. We are pleased to note that continuous implementation of awareness programmes and preventive measures had led to the successful prevention of COVID-19 clusters at our work sites.

Achieving a QLASSIC score of 75% for the Semaya phase in Iringan Bayu, and a QLASSIC score of 80% for Tower A and 84% for Tower B in Ryan & Mihowas yet another testament of the success of our Prop-Con model in upholding our promise to deliver high-quality, value-added homes to our customers.

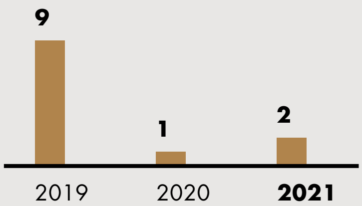
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

Revenue
(RM'million)

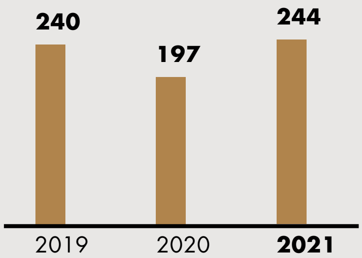


PBT
(RM'million)

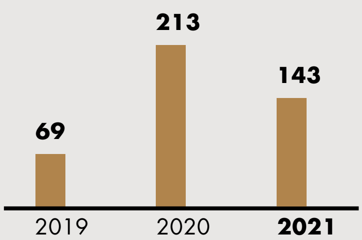


Performance Metrics

Order Book
(RM'million)



Order Book Replenishment
(RM'million)



Financial Performance

In FY 2021, the Construction Division recorded a 49% yoy decline in revenue to RM101.5 million (FY2020: RM197.5 million) and a 27% increase in PBT to RM1.7 million (FY2020: RM1.4 million) including higher realisation of profits from the internal projects during the year. The lower revenue generated for the year in review was attributed mainly to the deferment of new project launches and at the same time the Division has successfully completed two projects in the first half of 2021.

OSK Construction is a reliable contractor with a reputable track record of timely delivery and quality workmanship.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Initiatives & Business Updates

In line with the Group's strategic direction to enhance productivity and construction quality, and to forge a high-performance team, we will continue with the improvement programmes started in FY2021, amongst others, include compiling construction best practices and case studies to be transformed into comprehensive database as reference and on-the-job training ("OJT") for our future projects.

Our Prop-Con operating model, which incorporates Early Contractor's Involvement ("ECI"), will continue in FY2022 where we will work in tandem with our OSK Property Division and consultants during the planning stage to optimise constructability, mitigate risk of oversights and delays, and maximise productivity and cost efficiency.

Key Risks	Mitigation Measures
Material and delivery risk	Global supply chain disruption as a result of COVID-19 is causing industry-wide inventory shortage triggering increase in material and labour costs. This may have significant impact to new and ongoing projects, potentially escalating risk of delay and cost overruns. To mitigate the emerging risk, we remain cautious in our procurement and workforce management to ensure optimum efficiency and on-schedule progress.
New Normal: COVID-19 risk at the workplace	The well-being of workers at our construction sites are our main priority. We continue to work closely with all stakeholders to ensure effective implementation of precautionary and detection measures to mitigate the spread of the coronavirus.

Outlook for 2022

Construction works in the domestic market in the first 11 months of 2021 were public sector-driven, while project owners in the private sector adopted a more cautious approach in new launches, which led to increased competitiveness in tenders for new projects. OSK Construction Division will continue to participate in new project tenders rolled out by OSK Property in FY2022 with a target to replenish our order book by RM558.8 million. Among the development projects we are working on include Phase 2 of Shorea Park, Phase 1 at Shah Alam, LEA by the Hills, RUBICA, P11 at Butterworth, and an external project.

With clear strategic priorities and efficient management, we are cautiously optimistic of our ability to continue registering a positive performance in the year ahead and ensuring project progress meets the desired milestone.

"We are cautiously optimistic of our ability to continue registering a positive performance in the year ahead and ensuring project progress meets the desired milestone."

LEA by the Hills is one of the upcoming high-rise projects to be built by OSK Construction.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL SERVICES AND INVESTMENT HOLDING

Plaza OSK in Jalan Ampang, Kuala Lumpur.

OSK
FINANCIAL SERVICES
Capital Financing

OSK Capital

Malaysia

www.oskgroup.com/businesses

Australia

www.oskcapital.com.au

For more about **CAPITAL FINANCING**, please scan the QR code for more information.

Capital Financing

Capital Financing (Malaysia)

OSK Capital (Malaysia) is the financial services arm of the OSK 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, OSK Capital (Malaysia) provides short-term financing to corporates, businesses and individuals for the purposes of equity investments, bridge financing, and working capital requirements.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Our Capital Financing Division in Malaysia will provide shariah-compliant financing for corporates and civil servants, as well as trade receivables financing for businesses in the coming year.

In the past decade alone, OSK Capital (Malaysia) has assisted many of our clients in fulfilling their financing needs and has disbursed over RM5.0 billion worth of loans to over 400 corporate customers and 32,000 individual clients in Malaysia. In FY2021, OSK Capital (Malaysia) achieved a significant milestone in its nearly two-decade journey as its loan portfolio size surpassed the RM1.0 billion mark.

Our capital financing team comprises of experienced experts with backgrounds stemming from multinational investment and commercial banks to reputable non-bank lenders.

Via our sister company, OSK Syariah Capital, we also offer Shariah-compliant financing.

> "In FY2021, OSK Capital (Malaysia) achieved a significant milestone in its nearly two-decade journey as its loan portfolio size surpassed the **RM1.0 billion** mark."

Capital Financing (Australia)

OSK Capital (A) Pty Ltd was established in FY2020 and received its Australian Credit Licence in April 2021. In its first year of operations, a total of AUD$50.0 million in new loans and advances was approved, of which AUD$14.1 million was disbursed.

Our capital financing business in Australia is currently focusing on expanding its presence in the commercial real estate lending market, with progressive but achievable growth and return targets over the next three years. Our capable team in Australia has broad experience in financial services and lending operations, based in our head office in Melbourne, Victoria.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

We expect our capital financing business in Australia to benefit from the country's economic rebound, following the gradual lifting of lockdown restrictions and increased domestic consumption in late-2021.

Operating Environment

Capital Financing (Malaysia)

Movement restrictions during the year and its disruptive effects had proved to be a challenge to our operations. Notably, additional precautionary measures practiced by various stakeholders as a result of COVID-19 SOPs had lengthened our turnaround time and disbursement process.

Nonetheless, despite the challenging operating landscape amidst continuing strict compliance to COVID-19 precautionary measures, our team was able to provide tailored and innovative financing solutions for our customers to meet their cash flow requirements.

As a result, Capital Financing (Malaysia) Division's financing portfolio grew by 14% to RM937.0 million as of end-FY2021 (FY2020: RM822.9 million). We are pleased that the Division's financing portfolio surpassed the RM1.0 billion mark in 3Q2021 for the first time since its inception in 1996.

Capital Financing (Australia)

In common with most other sectors, Capital Financing (Australia) Division's business benefitted considerably from the gradual easing of containment measures in Australia in the final quarter of 2021. Although the outbreaks of the Delta variant in the middle of the year and the Omicron variant at the end of the year introduced strong resistance to market growth, the recovery momentum in the second half of the year remained relatively strong.

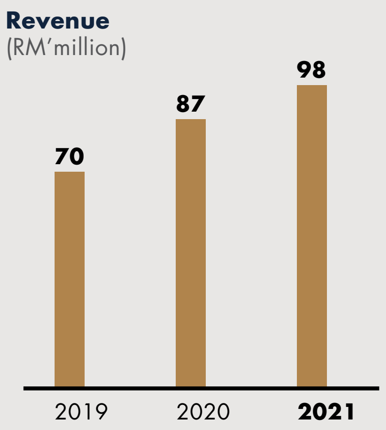
Almost 95% of the AUD$50.0 million in new loans approved in FY2021 were approved in the second half of the year, on the back of a strong pipeline of broker referrals and improved internal processes in credit evaluation, decision making, and settlement.

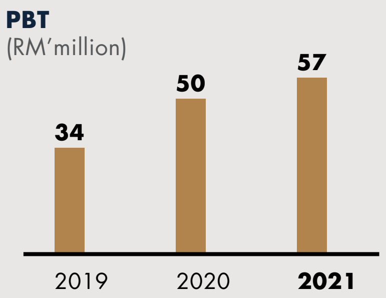
Although we closed the year with a financing portfolio of AUD$14.1 million (and AUD$6.2 million pending drawdown) out of AUD$50.0 million in new approvals, lending prospects remain encouraging.

We have capitalised on the low interest rate environment by securing funding lines at comparatively low costs, allowing us to remain competitive. The business also made significant advances in capacity building over the year, with the recruitment of a new CEO in July 2021 and a Senior Credit Manager in October 2021.

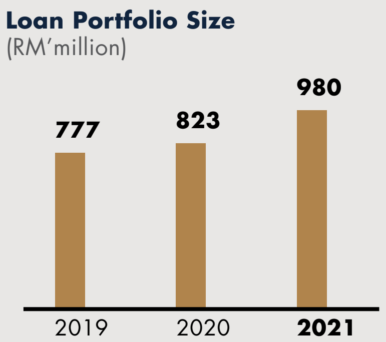
A cloud-based integrated loan management system was also implemented to support future growth, with the commercial loan suite launched in October 2021.

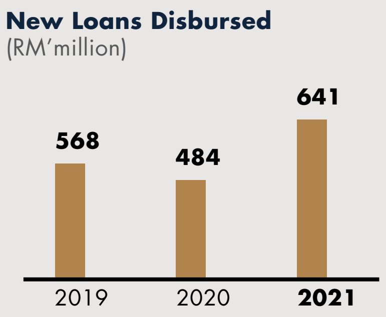
Financial Performance





Performance Metrics





Financial Performance

Capital Financing (Malaysia)

Capital Financing (Malaysia) registered a record PBT of RM58.0 million in FY2021 (FY2020: RM50.9 million), a commendable increase of 13.9% or RM7.1 million compared to the previous financial year. Revenue grew yoy by 12.3% or RM10.7 million to RM97.3 million (FY2020: RM86.6 million).

The commendable performance was attributed to the team's continuing efforts in expanding our sales and marketing initiatives to support prospective customers in meeting their cash flow requirements throughout the crisis, coupled with disciplined credit risk management. This enabled our team to actively replenish our loan portfolio.

Capital Financing (Australia)

Our Capital Financing (Australia) Division reported an operating loss before tax of AUD$0.4 million and a revenue of AUD$0.4 million for the year, with an improved financial performance in the second half of the year.

Key Initiatives & Business Updates

Capital Financing (Malaysia)

As part of our efforts to capture a bigger share of the non-bank financing market, Capital Financing (Malaysia) is strengthening its marketing capability to reach out to a wider range of potential customers, particularly the segments underserved by commercial and investment banks.

During the year, we continued to employ stringent credit evaluation and risk assessment in our financing processes including a strong emphasis on Know-Your-Customer ("KYC") and anti-money laundering ("AML") compliance.

Operating in an unprecedented COVID-19 pandemic environment, additional efforts were taken to review the status of our financing portfolio on a regular basis and supports were extended to help our customers restructure/ reschedule their financing in the event that their business cash flows were affected as a result of the crisis.

Capital Financing (Australia)

To advance Capital Financing (Australia) Division's twin objectives of profitable growth and operational excellence, we will be increasing our efforts to broaden our customer channels by enhancing access to sponsors and principals, and continuously maintaining our competitiveness through competitive pricing and flexible covenants, as we review and adapt our risk appetite to market conditions.

Our internal capacity building will be accelerated in FY2022, with increased investment in both business development and credit management resources.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
Competition risk	The capital financing sector is attracting new players, as well as new products and services, which add to the competitive business landscape. In this regard, we continue to focus on our unique strengths and market positioning to strive for the next level of growth.
Technology risk	As we continue to progress with the latest financing innovations, we continue to strengthen our internal processes through technology-enabled functions and capabilities to raise our efficiency and scalability.
Funding risk	The Group dedicates adequate capital to support the growth of our financing portfolios. We have a centralised treasury management whose function includes sourcing for cost-efficient funding for all business units. By relying on the credit strength of the Group's diversified business base, the Group has been able to secure financing at competitive rates with suitable tenors to facilitate robust asset-liability management.
New Normal: COVID-19 risk at the workplace	Our primary approach in managing the transition of our workforce to the New Normal is to encourage and assist our colleagues to sign up for the national vaccination programme and ensure strict compliance to preventive measures through prescribed SOPs by MOH and the NSC. We continue to implement various checkpoint controls to ensure effective protection of our employees, customers, business partners and all stakeholders against the coronavirus.

Over the past decade, our Capital Financing business has disbursed over RM5 billion worth of loans to more than 400 corporate customers and 32,000 individual clients in Malaysia.

Outlook for 2022

Capital Financing (Malaysia)

The central bank projects the Malaysian economy to expand between 5.5% and 6.5% in FY2022 on the back of strengthening global recovery and higher private sector expenditure. Nonetheless, we anticipate that commercial and investment banks will continue to be vigilant with a persistent conservative approach in credit assessment and risk controls, particularly for businesses that are experiencing constraints in terms of cash flow.

This provides an opportunity for our team to tap on new customers and businesses in search of alternative non-bank financing that provide fast turnaround, in terms of credit approval and disbursements, as well as an accommodative repayment structure that matches their projected cash flow.

Our Capital Financing (Malaysia) Division will also be actively providing Shariah-compliant credit financing for the corporate and civil servant segments, as well as trade receivables financing (factoring) for businesses.

Capital Financing (Australia)

The Australian economy rebounded faster than expected from the pandemic effects of FY2020 before the outbreak of the Delta variant of COVID-19 hampered the recovery momentum. Total lockdowns and restrictions re-imposed in response to the Delta outbreaks weighed heavily on Australia's economic activity, resulting in its GDP falling by 1.9% in September 2021 alone. The economy had since recovered strongly from the downturn, boosted by an AUD$25 billion stimulus by the Australian Government.

Real GDP is now forecast to grow by 3.75% in 2021-2022 and subsequently 3.5% in 2022-2023, before stabilising at between 2.25% and 2.5% over 2023-2025. Unemployment rates are expected to improve to below 5% through to 2025. Amid improved labour conditions, inflation has grown faster than expected, but is also expected to stabilise at 2.75% in 2021-2022 and 2.5% in 2022-2023. As long as inflation remains within the expected range, the interest rate environment is anticipated to remain relatively accommodative, though rates are expected to progressively rise over the next 12 months.

If the relatively low interest rate environment holds, and interstate and international borders continue to re-open in 2022, levels of investment and consumption are expected to rise markedly, with the real estate market, in particular, poised to benefit asymmetrically.

The prospects for more flexible and accommodative non-bank credit is, therefore, expected to remain positive. However, the ongoing pandemic, especially the spread of the Omicron variant and the potential emergence of new vaccine-resistant variants, may still pose a risk to the overall economic recovery and business outlook.

Equity Investment in RHB Bank Berhad

The Group received a total dividend of RM133.7 million from our equity stake in RHB Bank Berhad, comprising a cash portion of RM61.3 million and two subscriptions of new shares through the bank's dividend reinvestment plans totalling RM72.4 million or 15.5 million new RHB shares during the financial year (FY2020: total cash dividend of RM75.1 million).

> "During the year, we had also recognised a share of profits from our stake in RHB Bank Berhad of **RM255.0 million.**"

Following the subscriptions, the Group's equity interest in RHB increased from 10.13% to 10.18%. During the year, we had also recognised a share of profits from our stake in RHB Bank Berhad of RM255.0 million (FY2020: RM196.3 million).

OSK

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

CABLES

OCC is one of the leading manufacturers of high-quality power cables in Malaysia.

OLYMPIC CABLE

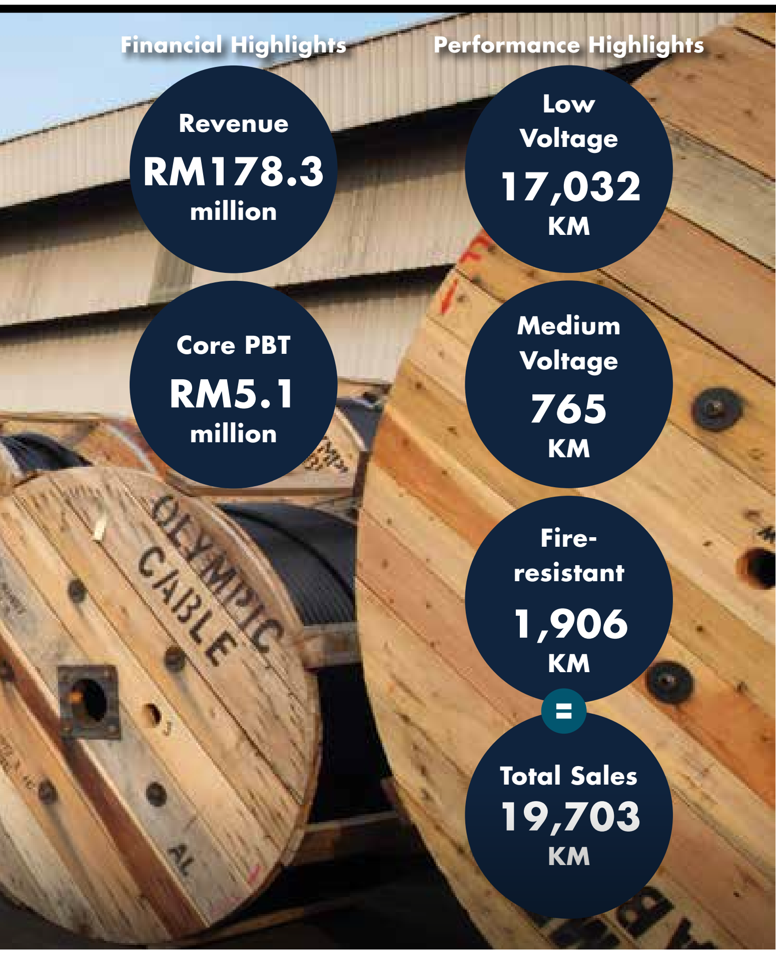
A MEMBER OF **OSK** GROUP

Olympic Cable Company ("OCC") is a leading manufacturer of high-quality cables in Malaysia. OCC's 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 the stringent specifications and statutory requirements of our customers.

For more about
INDUSTRIES – CABLES DIVISION
please scan the QR code for more information.

www.olympic-cable.com.my

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS



Our well-trained production team in OCC adheres to strict SOPs and processes to meet stringent product specifications and standards required by our customers.

Our 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 main categories, namely:

- **Low voltage power cables**
- **Medium voltage power cables**
- **Fire-resistant power cables**

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

Operations Review

Operating Environment

Operating under a relatively challenging environment in FY2021 with a temporary shutdown during the nationwide "total lockdown" (or FMCO), and an overall slowdown in new development projects in both public and private sectors during the pandemic.

Significant delays in global supply chain caused by pandemic border controls has resulted in a drastic increase in building materials cost as inventory scarcity stepped in. On top of pandemic-related concerns, aggregate demand for copper is expected to rise as manufacturers gear up production for renewable energy (ie. solar photovoltaic power generation) systems and electric vehicles, which will continue to place pressure on global copper prices, and consequently cable cost.

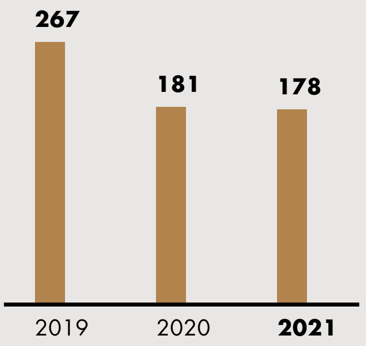
This has resulted in the re-engineering of cable products for a more economical solution to mitigate rising costs. An expected market shift towards aluminium-based cables, in place of copper, would allow OCC to compete for a bigger slice of the market with its wide range of high-quality aluminium cables, including aluminium fire-resistant cables.

OSK

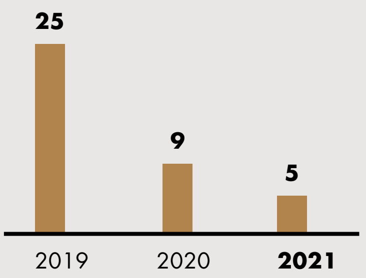
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

Revenue
(RM'million)

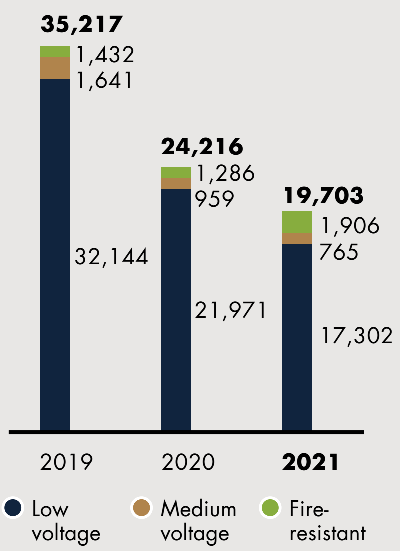


Core PBT
(RM'million)



Performance Metrics

Sales
(KM)



Financial Performance

In FY2021, OCC recorded a revenue of RM178.3 million (FY2020: RM180.8 million) and a core PBT of RM5.1 million (FY2020: RM8.7 million), primarily attributed to the impact of FMCO, which necessitated the temporary closure of our manufacturing plant. Additionally, manufacturing capacity was also affected by accompanying SOPs restrictions, such as the stipulated number of working hours and the number of workers allowed to operate during subsequent stages of MCO.

The sharp rise in the price of raw materials such as copper also reduced our margins substantially for existing contracts, resulting in a reduction of 46% in gross profits.

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. We aim to increase the efficiency of our cable machines through scheduled preventive maintenance to limit downtime and targeted expansion into new product segments to meet our customers' evolving needs.

Ensuring product competitiveness through R&D:
The Division is currently working on developing new products that will complement our existing product range and help improve production volume and margins. Improvement in manufacturing process and design is ongoing to reduce costs, while also improving productivity and quality simultaneously.

Raising our production capacity:
Our manufacturing plant in Melaka has been operating at nearly full capacity in the past few years and, at times, had been unable to fulfil additional demand from our customers. To address the high utilisation rate of our existing machinery, our Melaka factory is undergoing an expansion plan to increase its production capacity by 20-25% over the coming years. The adjacent new factory building has been completed during the year and newly-installed machines (70%) have been operating since 4Q2021. The remaining machines will be installed in FY2022.

Improving our production process and expanding our reach:
Operationally, we strive to improve our production efficiency and our 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 market share with our reliable delivery track record and new cable products in the pipeline.

We are also expanding our market reach by increasing our sales and marketing resources, and further enhancing our sales approach and customer service. Strict processes have been put in place to uphold product quality and addressing customers' feedback. We will continue to capitalise on our ability to ensure timely delivery, which has always been our strength in the market.

Key Risks	Mitigation Measures
Lower demand due to prevailing soft market sentiment in the property and infrastructure sectors	The team is actively broadening its reach and enlarging its customer-base locally and regionally to recapture the market when demand recovers. Significant focus is placed on ensuring production efficiency and that product quality is always maintained. New market-driven products will also be added in due course.
New Normal: COVID-19 risk at the workplace	All OCC workers underwent COVID-19 swab test before resuming work. All applicable SOPs related to COVID-19 safety and prevention were fully complied with in our production facility and workers' living quarters. This includes mandatory wearing of face mask at work, social distancing, MySejahtera contact tracing, and compulsory daily temperature checks for all workers and employees.
Operational disruptions caused by relevant restrictions and requirements during various stages of MCO	In addition to ensuring that all applicable Ministry of International Trade and Industry ("MITI") SOPs were fully complied with, our production team ensured that all pending 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 and marketing teams.
Material risk	Commodity prices such as copper have been trending upward due to demand and supply disruptions. We continue to be vigilant in our inventory planning, as we focus on developing new product alternatives and continuously improving our production efficiency to manage our costs.

Outlook for 2022

The power cables market is expected to gradually improve in the next three years with continued recovery in the domestic economy gradually improving as Malaysia embraces endemicity, and with policy support by the Government. This is supported by the rollout of large-scale infrastructure projects, namely the MRT 3, East Coast Rail Link, Pan Borneo Highway, Johor Baru-Singapore Rapid Transit System, Central Spine Road, and positive recovery in the property development market.

In line with the global race to change the course of climate change, the energy sector is expected to limit fossil-fuel power generation and is inclined to spur growth in renewable energy. Implementation of large-scale solar farms and net energy metering programmes is expected to gain speed, spurring the need for related products including power cables. In view of this development, we are looking into developing solar cables and exploring new market demand for other low and medium voltage cables.

The national fiberisation and connectivity plan, along with the expected implementation of the 5G network, is likely to cause an increase in demand for telecommunication cables. As such, part of OCC's new product strategy is to explore the possibility of producing fibre optic cables to cater for the expected growth.

> "We are looking into developing solar cables and exploring new market demand for other low and medium voltage cables."

We foresee that the Division will continue to operate in a challenging environment in FY2022. Nonetheless, protecting the safety of our employees, workers, and vendors remains our topmost priority.

The Division's replenishment of new cable 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 remains soft. Nonetheless, we will continue to tap on existing private and public sector projects and explore new markets to secure new orders.

Aligning with the New Normal paradigm and barring risks to the growth outlook, the Division remains cautious on our prospects, and will formulate new pricing strategies and initiate cost optimisation programmes to further strengthen our competitiveness and grow our market share in the local market.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIALISED BUILDING SYSTEM ("IBS")

ACOTEC®

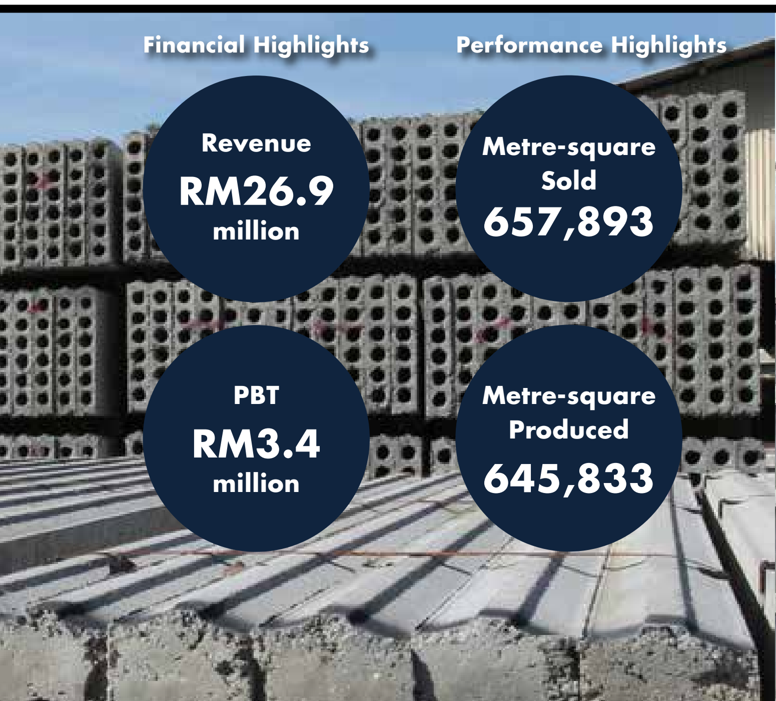
A MEMBER OF **OSK** GROUP

Our IBS wall panel products, manufactured under the ACOTEC brand, is used in the construction of high-rise as well as landed properties. Accredited as 'Green Label' product by SIRIM, CIDB and Singapore Green Label Scheme ("SGLS"), Acotec wall panels are lightweight in nature, easy to install, and saves valuable construction time and manpower when combined with the innovative Aco-Built System.

For more about **Industrialised Building System ("IBS")** please scan the QR code for more information.

www.acotec.com.my

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS



Proven for its design flexibility, safety and durability, Acotec's IBS precast wall panels conform to leading safety and health, quality and environmental benchmarks, such as the MS ISO 9001:2000, UKAS Quality Management System and the Singapore Green Label.

Acotec's IBS precast wall panels are produced in standard and customised sizes to suit construction needs.

Over the years, Acotec has established a strong presence in the IBS industry and its wall panels are deemed as a construction method of choice across the region.

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

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

Operations Review

Operating Environment

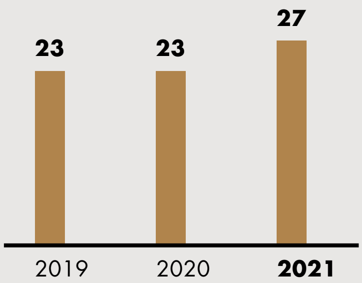
Similar to OCC, our Acotec business was hit by the consecutive MCOs and national lockdown, as construction activities ground to a halt for several months in FY2021. Among the challenges faced by IBS players including rising material costs that crimped profit margins, restriction on operating hours, as well as lower allowable workforce due to social distancing requirement at the work place. The combined factors as a result of prolonged movement restrictions, production closure, and ensuing SOPs had impacted our operational efficiency and productivity.

OSK

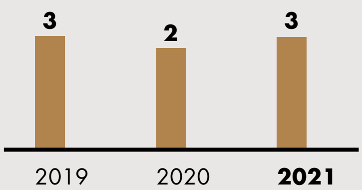
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

Revenue
(RM'million)

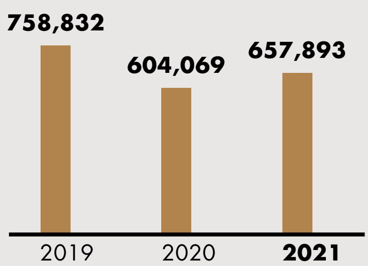


PBT
(RM'million)

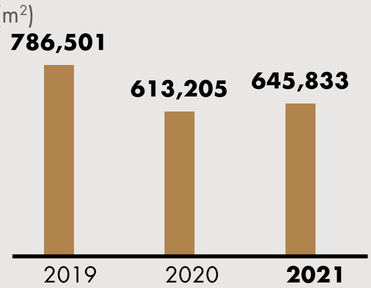


Performance Metrics

Wall Panels Sales
(m^2)



Wall Panels Produced
(m^2)



Order Book: 1.3 million m^2
(as at 31 December 2021)

Financial Performance

The IBS Division recorded a revenue of RM26.9 million (FY2020: RM22.8 million) and a PBT of RM3.4 million (FY2020: RM1.6 million) during FY2021. The higher pre-tax profit was mainly attributed to higher deliveries and higher margins upon recovery of construction activities, as economic activities resumed in most states in the later part of the year.

Key Initiatives & Business Updates

Capitalising on increasing regulatory support and incentives by the Government to promote the utilisation of IBS components in property development projects, Acotec positioned itself as a leading player in the sector by continuing to strengthen its delivery capability through tailored IBS solutions 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 component material adjustment to enhance Acotec's precast wall panel technology to suit local weather conditions and the building needs of the regional market, while improving the on-site productivity of our installation system.

Recognising that installation is an important step throughout the project delivery process, our technical 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 focusing on best practices and proper installation methods.

To-date, our IBS precast wall panels have been supplied to over 1,000 projects in Malaysia and Singapore for residential and commercial purposes ranging from affordable homes such as HDB and PR1MA apartments to high-rise and landed real estate developments, schools, hospitals and public amenities.

We are the patent owner of the Aco-Built System, a formwork construction system that is versatile, yet cost and time effective. We also hold the exclusive rights to manufacture Acotec IBS precast wall panels in Malaysia.

Key Risks	Mitigation Measures
Market demand risk	A significant portion of our customers are in the property development and construction sectors, which have been adversely affected by the various stages of movement restrictions and closure of operations during FY2021. We continued to engage with our customers during this period through virtual presentations.
New Normal: COVID-19 risk at the workplace	We ensure that all our workers fully comply with applicable COVID-19 guidelines to mitigate risk of transmission at the workplace. The Management also ensures full compliance with the Workers' Minimum Standards of Housing and Amenities Act 2019 by providing suitable accommodation with basic amenities, hygiene, and safety standards for our workers.
Product innovation risk	To enhance our product portfolio, we constantly explore and develop new industrial products or material components to diversify the application of our products and capabilities to service a broader segment of the building and construction market.

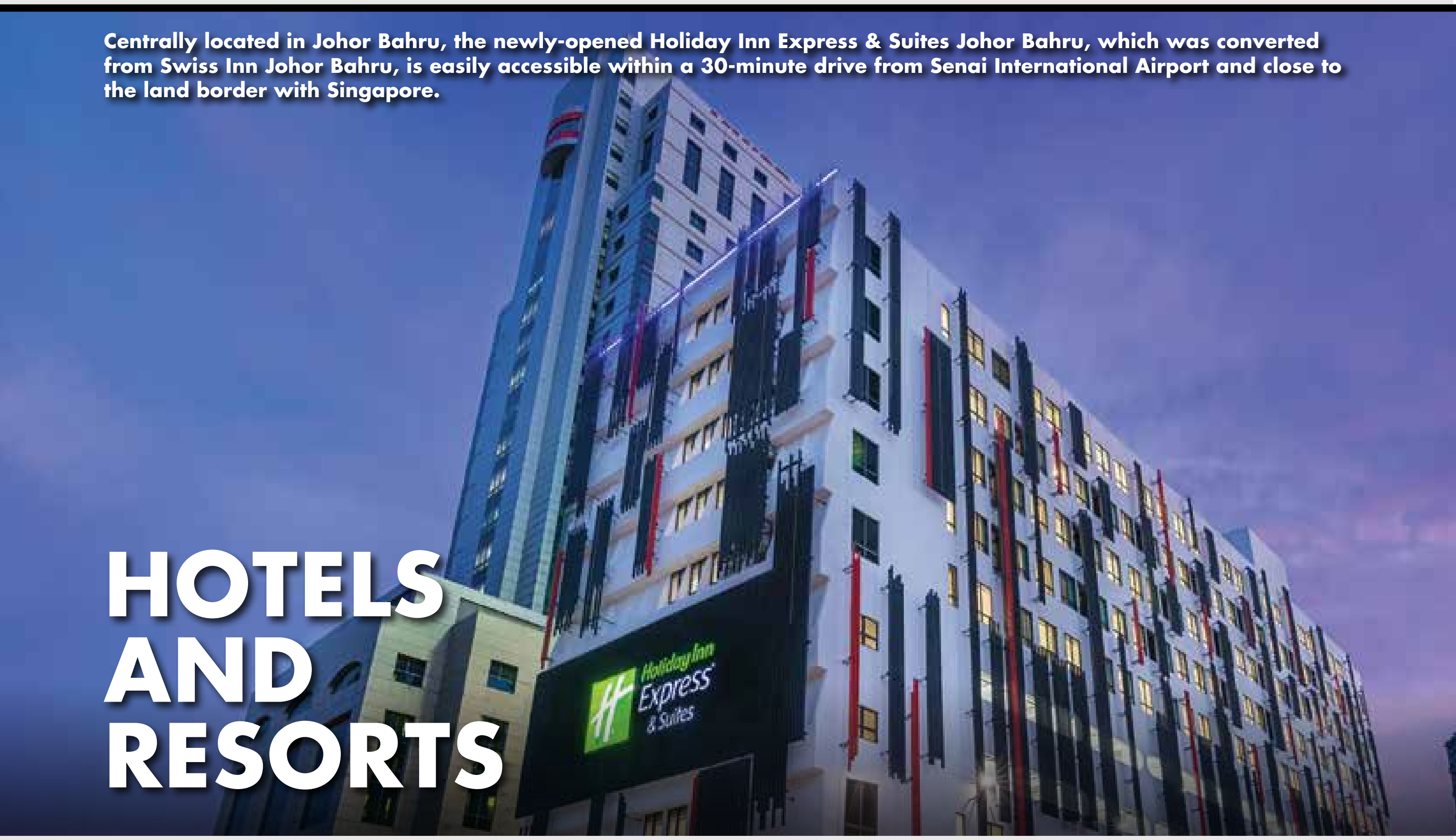
We implement strict quality controls during the manufacturing process to ensure that we maintain excellent product quality at all times.

Outlook for 2022

"As a leading IBS provider in the market, we recognise the need to offer products that value-add our customers as labour cost intensifies."

As a leading IBS provider in the market, we recognise the need to offer products that value-add our customers as labour cost intensifies. We see an immediate need to embrace new ways to manufacture better products to ensure that we remain relevant in the New Normal environment. Accordingly, efforts are underway to diversify into the lightweight construction materials business, which we believe would be the business of the future.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS



Centrally located in Johor Bahru, the newly-opened Holiday Inn Express & Suites Johor Bahru, which was converted from Swiss Inn Johor Bahru, is easily accessible within a 30-minute drive from Senai International Airport and close to the land border with Singapore.

HOTELS AND RESORTS

SWISS-GARDEN
INTERNATIONAL | HOTELS, RESORTS & INNS

The Hotels and Resorts Division comprises owned/ managed hospitality assets with a focus on driving long-term returns from our hotel investments.

Under the portfolio, there are a total of six properties with room inventory of 1,995 keys, meeting facilities and an 18-hole golf course. The hotel properties are located in various parts of Peninsular Malaysia including Kuantan, Genting Highlands, Kuala Lumpur, Damai Laut, Melaka and Johor Bahru, comprising city hotels, a highland hotel, as well as beach resorts.

For more about
Hotels and Resorts
please scan the QR code
for more information.

www.swissgarden.com

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

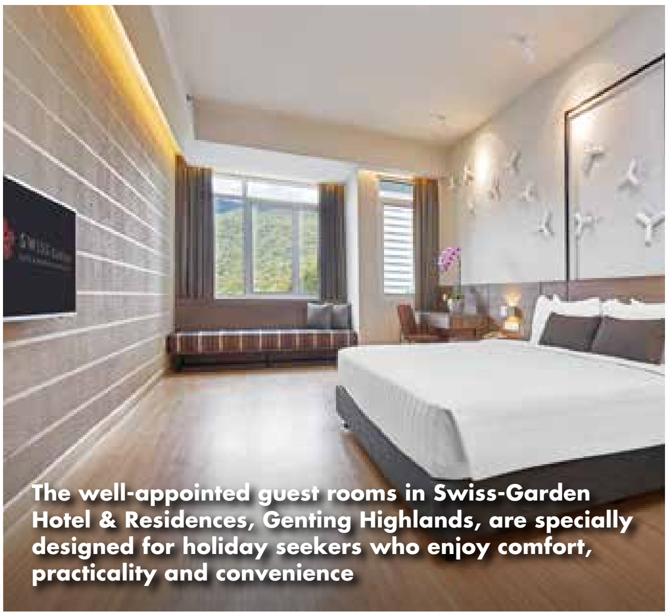
Revenue
RM19.7 million

Core Loss Before Tax
RM(18.6) million

Performance Highlights

Average Occupancy Rate
28%

The 304-room Swiss-Garden Beach Resort Kuantan which overlooks the warm waters of South China Sea offers an idyllic holiday destination for those who wish to unwind from the hustle and bustle of city life and is perfect for quiet getaways.



The well-appointed guest rooms in Swiss-Garden Hotel & Residences, Genting Highlands, are specially designed for holiday seekers who enjoy comfort, practicality and convenience

Operations Review

Operating Environment

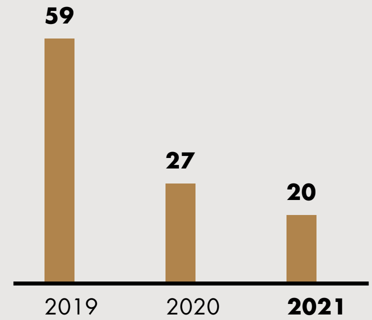
The year is another challenging year for our Hotels and Resorts Division. Following a drop in daily COVID-19 cases in 4Q2020, our hotels saw green shoots of recovery with domestic tourism and "staycations" creating a positive trail for demand in 1Q2021. The respite, however, was short-lived with a new wave of cases calling for tighter re-imposition of successive MCOs, followed by the National Recovery Plan.

The MCOs and movement restrictions implemented by the Government, to once again contain the pandemic took a toll on the country's hospitality and tourism sector during the second and third quarters of the year. Our hotels were impacted with low occupancy rates as demand decreased during the inter-district and inter-states travel ban.

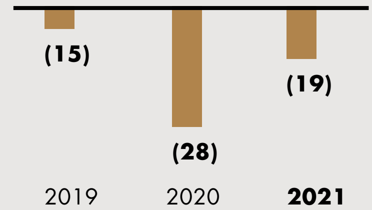
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

Revenue
(RM'million)

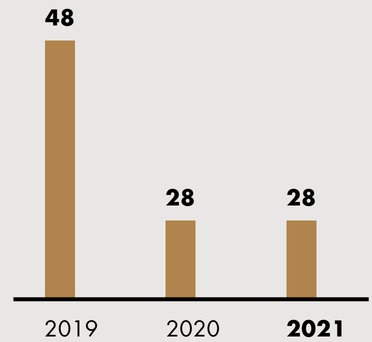


Core Loss Before Tax
(RM'million)



Performance Metrics

Average Occupancy Rates
(%)



> Throughout the crisis, being dynamic and accommodative was essential in enhancing our appeal to our customers.

Financial Performance

In FY2021, the Division recorded a revenue of RM19.7 million and a core loss before tax ("LBT") of RM18.6 million, compared with a revenue of RM26.9 million and a core LBT of RM27.8 million in the previous financial year.

Swiss-Garden International has remained resilient throughout the pandemic, and is well-poised to recapture the international hospitality market with the full re-opening of Malaysia's borders starting 1 April 2022.

Key Initiatives & Business Updates

Like other industries, there were substantial shifts in consumer behaviour and the way businesses operate the market acclimatised to the New Normal. Changes and innovations to hotel operations were constantly made by our team, which include monitoring safety precautions of guests and staff, adhering to all SOPs by the MOH and NSC, re-adjusting marketing efforts to focus on domestic clientele, ensuring strong social media presence and visibility, encouraging broader use of outdoor spaces, implementing less stringent cancellation policies due to prevailing circumstances, and managing our human capital.

Throughout the crisis, being dynamic and accommodative was essential in enhancing our appeal to our customers. Swiss-Garden Hotel Bukit Bintang, Kuala Lumpur continued to seize opportunities to work with the Government to be converted as a COVID-19 quarantine centre throughout FY2021, an effort that had been in place since year 2020.

As inter-district and inter-state travel ban was lifted during the last quarter of the year, all our hotels experienced a surge in occupancy due to pent-up demand, as room bookings and request for event spaces saw a significant uptick. This proved to be a welcoming respite for the team. With the resumption of economic and social activities in 4Q2021, we are cautiously optimistic of a sustained follow-through in the coming year leading to a robust recovery for all our hospitality assets.

Key Risks	Mitigation Measures
COVID-19: New Normal guests' health and safety risks	To ensure the health and safety of our guests, we consistently provided various checkpoint controls to ensure effective protection of our employees, guests and all stakeholders against the risk of COVID-19. We also ensured sufficient levels of social distancing, sanitisation of spaces, issuing notices and alerts when necessary, and employed guest tracing as part of our ongoing precautionary and response protocol.
Facilities and amenities management risk	We practised proactive maintenance for our hotels' amenities to ensure optimum capacity for our guests at all times in anticipation of high demand in the coming year.

Outlook for 2022

While we look forward to a recovery in FY2022, we face a unique set of operational challenges which require our hotels to take an adaptive approach in view of rising demand, one of which is the shortage of manpower and increasing labour costs. Nonetheless, we have ramped up recruitment efforts to ensure sufficient resources as occupancy gradually returns to normal, and to ensure that we provide the best level of service for our guests.

We also took the opportunity to continue with the refurbishment of the hotel rooms and meeting facilities in Swiss-Garden Beach Resort Kuantan during the MCO period to minimise disruptions to our operations. The interior enhancement has since been completed and we are pleased to report that the renewed rooms and meeting spaces were very well-received by our guests.

"we have ramped up recruitment efforts to ensure sufficient resources as occupancy gradually returns to normal, and to ensure that we provide the best level of service for our guests."

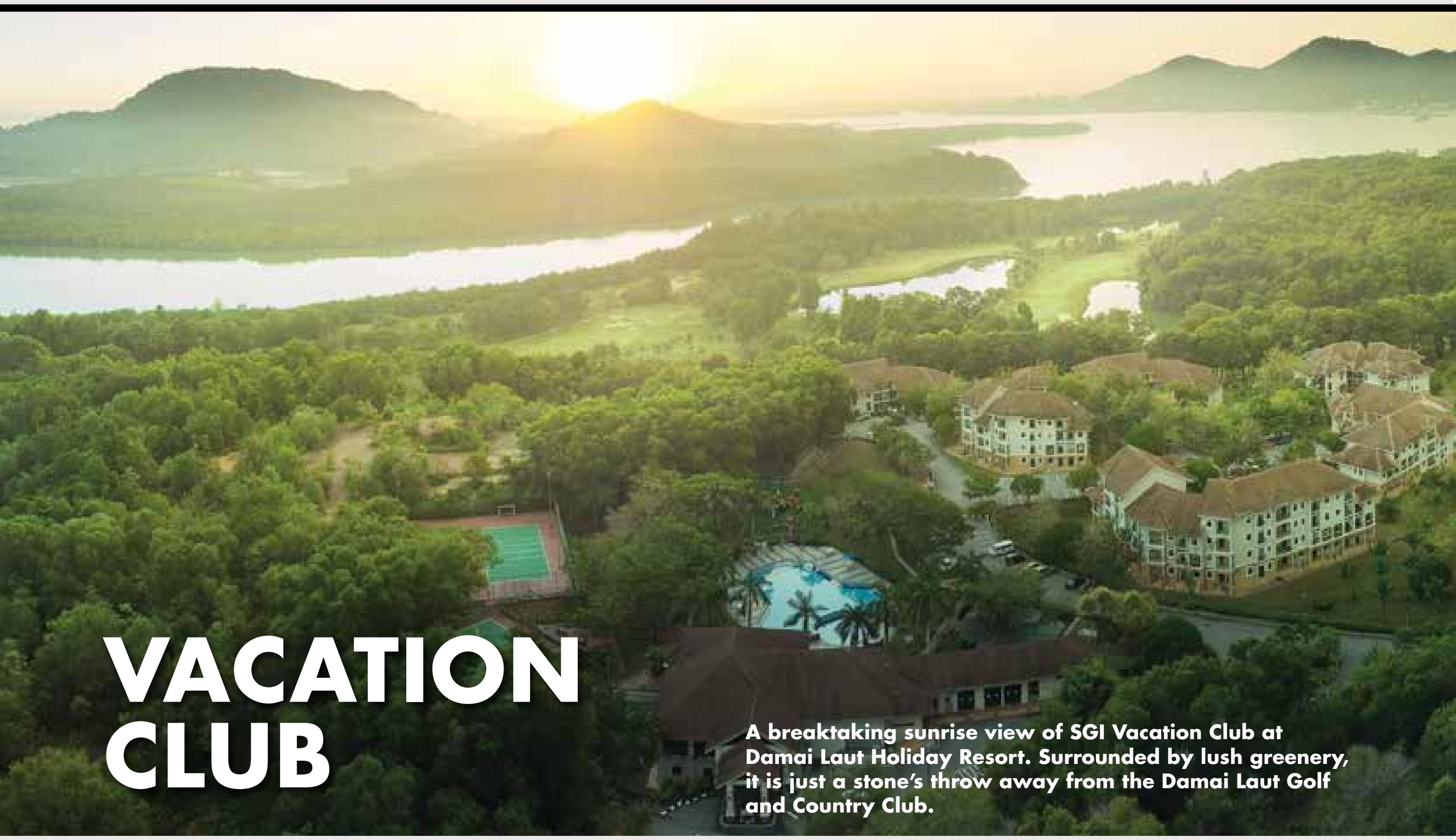
On a more positive note, the collaboration and rebranding efforts for Swiss-Inn Johor Bahru to take on the "Holiday Inn Express and Suites" brand and to be operated under the InterContinental Hotels Group ("IHG") was successfully completed and the facelifted Holiday Inn Express was opened on 15 December 2021.

Our partnership with Hilton is also underway for the leading international hotel chain to manage our Swiss-Garden Beach Resort Damai Laut. The refurbishment exercise is expected to complete by the third quarter of 2022. Upon completion, the property will be renamed to "DoubleTree by Hilton Damai Laut Resort".

We foresee our partnerships with IHG and Hilton will further enhance the value proposition of the Division as we continue to offer our guests the best of Malaysian hospitality, as well as international hospitality experiences delivered by our partners.

Scenic view of the swimming pool at Windmill Upon Hills, which remains a favourite hotspot for holidaymakers.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS



VACATION CLUB

A breaktaking sunrise view of SGI Vacation Club at Damai Laut Holiday Resort. Surrounded by lush greenery, it is just a stone's throw away from the Damai Laut Golf and Country Club.

SGI VACATION CLUB
A MEMBER OF **OSK** GROUP

SGI Vacation Club ("SGI VC") provides five vacation properties in four destinations in Malaysia, which includes Swiss-Garden Residences Bukit Bintang, Kuala Lumpur; SGI Vacation Club Melaka; SGI Vacation Club at Damai Laut Holiday Resort; SGI Vacation Club Villas at Damai Laut Holiday Resort; and Timur Bay @ Balok Kuantan. We continue to maintain our leadership position in the vacation club industry in Malaysia industry with over 9,000 members enrolled as at December 2021. This is the third year since the launch of our 15-year Membership Programme in December 2018, which has led to a gradual growth in sales.

For more about **Vacation Club** please scan the QR code for more information.

www.sgivacationclub.com

Operations Review

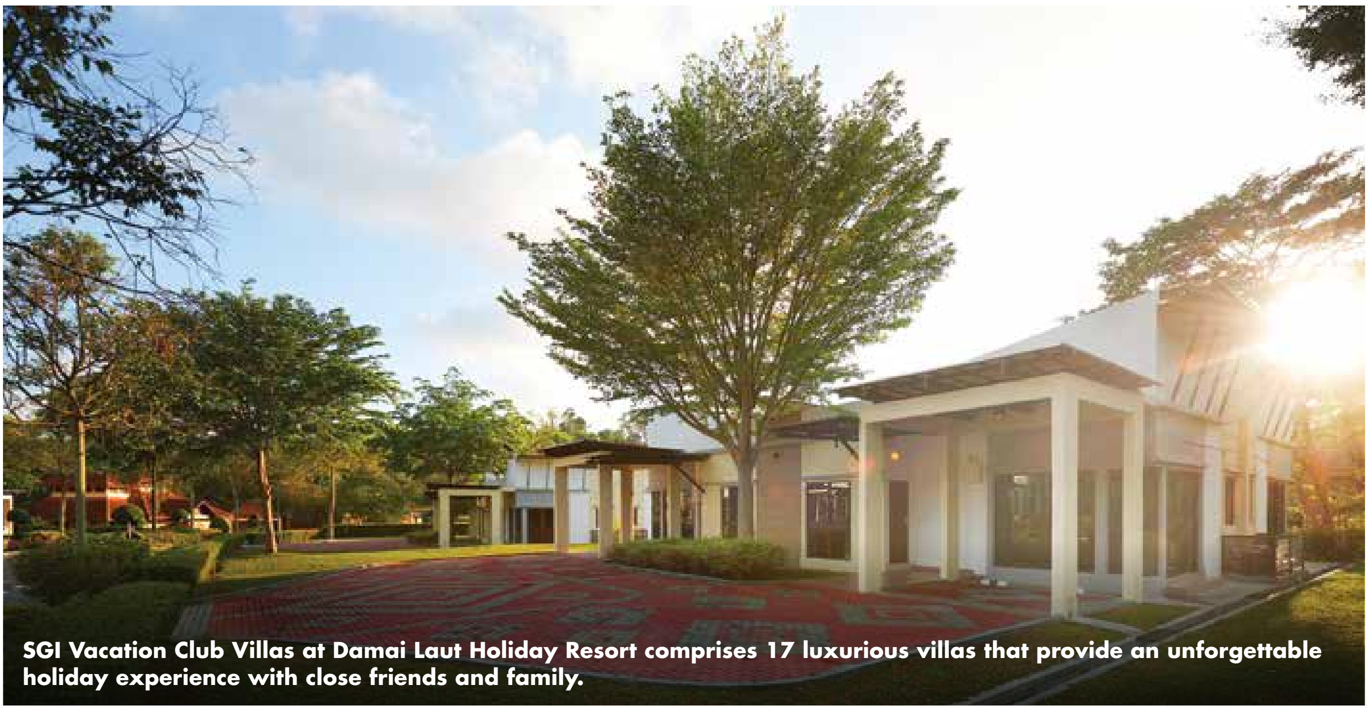
Operating Environment

In FY2021, the hospitality sector began to observe some early signs of recovery in the first quarter with the pick-up in domestic tourism, in tandem with relaxation of COVID-19 restrictions as daily cases subsided. Nonetheless, similar to our Hotels & Resorts Division, the recovery was transitory.

From January to November 2021, approximately 26% of our vacation club members from the Programme 1 utilised their entitlement nights, compared to about 33% in FY2020. Meanwhile, only 13% of our Programme 2 members utilised their entitlement nights compared to a slightly lower figure for the previous year reflecting a cautious sentiment among our members as most refrained from booking their stays in advance due to uncertainty arising from inter-state and inter-district travel restrictions.

Despite the low entitlement usage in the FY2021, we managed to receive a higher response rate of 18% from our members who rated us with an average satisfaction score of almost 90% compared to a response rate of 13% with an average satisfaction score of around 83% in the FY2020.

> "We managed to receive a higher response rate of 18% from our members who rated us with an average satisfaction score of almost **90%.**"

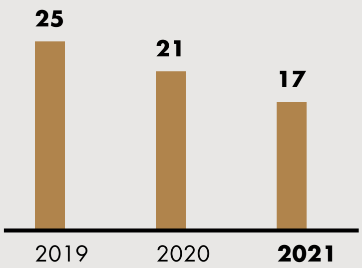


SGI Vacation Club Villas at Damai Laut Holiday Resort comprises 17 luxurious villas that provide an unforgettable holiday experience with close friends and family.

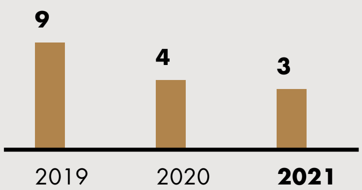
GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Metrics

Revenue
(RM'million)

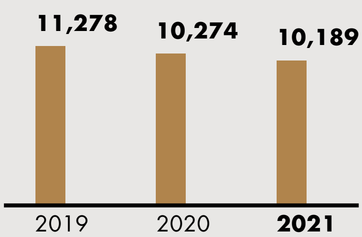


PBT
(RM'million)

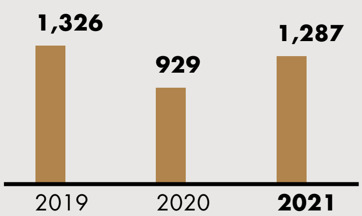


Performance Metrics

Total Vacation Club Memberships

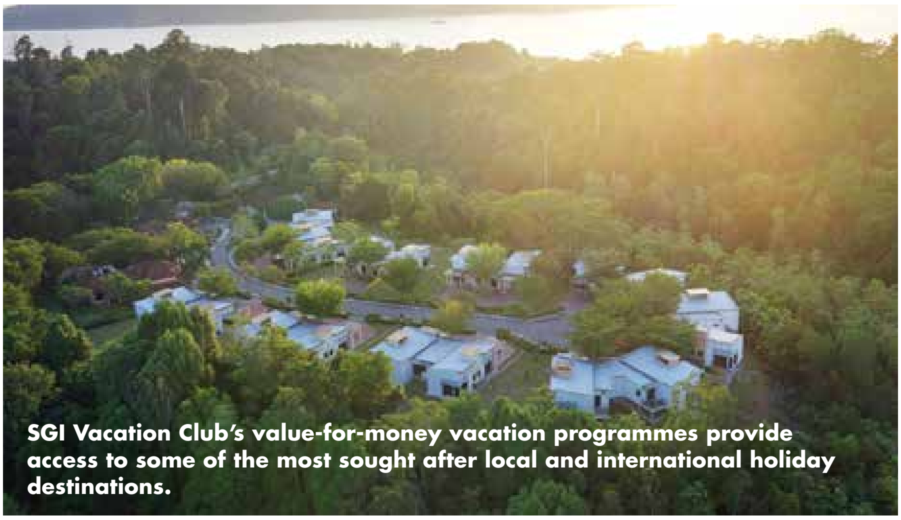


New Memberships



Financial Performance

In FY2021, SGI VC registered a lower revenue of RM17.2 million (FY2020: RM21.3 million) and a PBT of RM2.6 million (FY2020: RM3.9 million) due to lower membership sales as retail market sentiment was generally cautious, especially on non-essential services during the MCO period.



SGI Vacation Club's value-for-money vacation programmes provide access to some of the most sought after local and international holiday destinations.

Key Initiatives & Business Updates

In many ways similar to the operations of our hotels and resorts, being considerate and accommodative to the needs of our members is crucial in building trust and deliver a positive experience in every stay. Among the measures implemented during the FY2021 in response to the prevailing circumstances include:

- Close monitoring of safety precautions measures for our vacation club members, guests and employees;
- Strict adherence to COVID-19 SOPs set by the authorities;
- Extending entitlement nights redemption period for our members to avoid expiry;
- Providing the flexibility of auto-cancellation for bookings made when inter-district and inter-state travelling was disallowed and always communicating with our members to ensure their safety before their arrival via phone calls; and
- Refining our booking policy by reducing the minimum booking period from three days to one day in our online advance booking system.

In striving to provide value-added vacation packages for our members, a shorter-term product was further introduced in June 2021 to drive revenue from our excess inventories. It was a temporary measure aimed to boost sales during the pandemic period, and this was promoted through virtual presentations on social media to our potential customers.

In spite of the highly challenging landscape, we managed to register 775 new members and 512 short-term memberships sold in the FY2021.

GROUP MANAGING DIRECTOR'S
MANAGEMENT DISCUSSION AND ANALYSIS

Key Risks	Mitigation Measures
COVID-19: New Normal members' health and safety risk	To ensure the health and safety of our guests, we consistently provided various checkpoint controls to ensure effective protection of our employees, guests and all stakeholders against the risk of COVID-19. We also ensured sufficient levels of social distancing, sanitisation of spaces, issuing notices and alerts when necessary, and employed guest tracing tools as part of our ongoing precautionary and response protocol.
Product and service innovation risk	While taking into account the changes in the expectations of our guests due to the pandemic, we have looked into various new products to tailor to the shorter / nearer-term needs of our existing and potential customers. One of the initiatives taken is to offer our potential members a shorter tenure product.

Outlook for 2022

As international overseas travel continues to be prohibited in many countries around the world due to tightened border controls, Malaysians continue to be receptive towards our programme and look forward to spending their holidays at our strategic leisure destinations across Malaysia.

While we look forward to the economic recovery in year 2022, the industry is facing a new challenge in the form of manpower shortage as the economy rebounds in the coming quarters in FY2022. To address the challenge, the team at SGI VC is actively ramping up recruitment efforts to ensure that we continue to deliver service excellence that meets the expectations of our members.

In terms of sales, SGI VC will continue to sell our 15-year vacation club programme in the coming year, as well as our short-term product to support our revenue stream in the coming year. On a positive note, once international border restrictions are lifted, we will continue to collaborate with overseas agents to introduce our products to holidaymakers from neighbouring countries.

Our long-term objective is to continue to provide a variety of membership programmes to a broader segment of holiday seekers across the region to maximise occupancy at our appealing range of resort destinations throughout Malaysia.

CONCLUDING REMARKS

As we look back to another year of disruptions and uncertainties in the FY2021, which proved to be one of the most challenging periods in the Group's operating history, I am pleased that despite the headwinds, the team across all our businesses persevered and capitalised on new opportunities as they arose.

In being innovative and mitigating potential risks ahead, the Group will stay committed to our long-term vision of growing our businesses in a strategic, careful and deliberate manner. And as we seek new areas where we see sustainable, long-term growth, we will continue to be grounded on our core strengths and honour the faith and trust that our stakeholders have placed in the Group.

We are also hopeful that the ongoing vaccination campaign for booster vaccines and various pre-emptive measures undertaken by the Governments in Malaysia and Australia will position the nations' economies on a firm footing for a sustained recovery going forward.

On behalf of the Management and staff members of OSK Group, I wish to thank all our shareholders for your continued support and understanding during the FY2021. We also wish to express our gratitude towards our Board of Directors, our bankers, customers and business associates for your confidence in OSK during this challenging year. Our sincere thanks also goes to Bank Negara Malaysia, the Ministry of Finance, the Ministry of Housing and Local Government, the Government of Malaysia, the Government of Australia, and various regulatory bodies and agencies in both countries, for their invaluable assistance, guidance and counsel.

> "I am pleased that despite the headwinds, the team across all our businesses persevered and capitalised on new opportunities as they arose."

We would also like to thank all the healthcare and frontline workers in both countries as they risked their lives to protect and serve the people.

And lastly, a special note of appreciation goes to the Management team and all in the OSK family for their passion, dedication and hard work in realising our OSK vision.

Thank you.

Ong Ju Yan
Group Managing Director
OSK Group

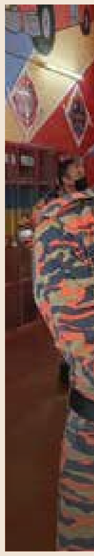
OSK

SUSTAINABILITY **STATEMENT**

ACCELERATING SUSTAINABLE IMPACT

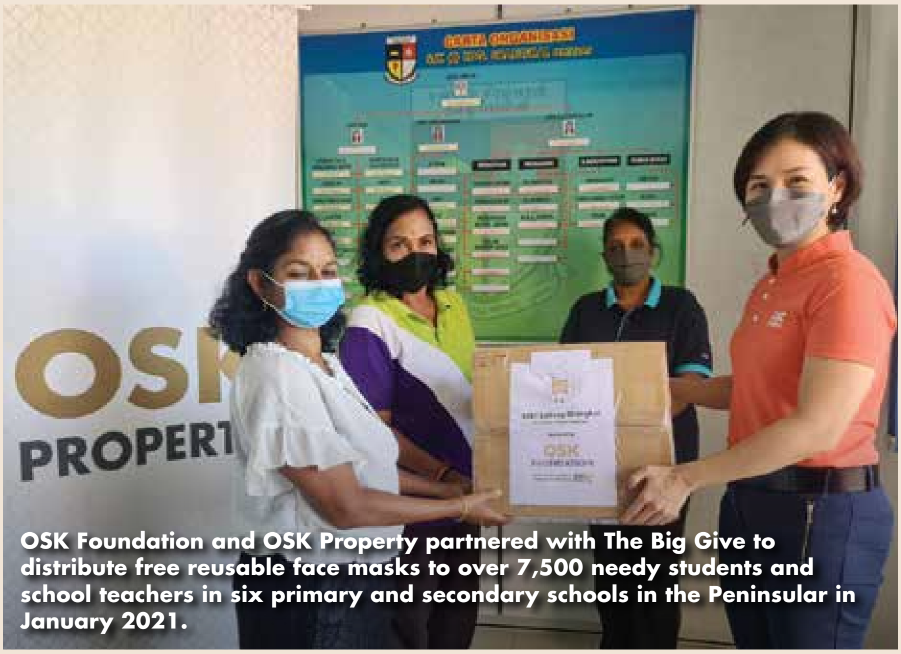
OSK Foundation collaborated with Atria in the Frontliners Appreciation Campaign, which served as our way of saying 'Thank You' to our frontliners.

OSK Foundation together with Swiss-Garden International donated cash aid with a total amount of RM133,000 to the fire victims in two villages in Karak, Pahang.



YEAR 2021 WITNESSED AN INCREASED URGENCY FOR THE TRANSITION TO A MORE SUSTAINABLE ECONOMY AS COUNTRIES AROUND THE WORLD TACKLED THE TWIN CHALLENGES OF COVID-19 AND THE ESCALATED IMPACTS OF CLIMATE CHANGE.

The Group placed a strong emphasis on protecting the safety and well-being of our employees, customers, shoppers, tenants, business associates and all our stakeholders throughout the COVID-19 pandemic.



OSK Foundation and OSK Property partnered with The Big Give to distribute free reusable face masks to over 7,500 needy students and school teachers in six primary and secondary schools in the Peninsular in January 2021.

OSK Foundation and Swiss-Garden International partnered with Kembara Kitchen to deliver sahur and iftar meals to our frontliners in Negeri Sembilan and Pahang during Ramadhan.

Yet amidst the uncertainties and challenges, the global community, including OSK Group, responded with an even stronger and concerted set of actions to address the challenges, guided by a common goal to make this world a better place.

During the year, we re-doubled our efforts to mitigate the ongoing impacts of COVID-19 marked by significant economic, health and social disruptions by continuing to prioritise the well-being of all our stakeholders, reinforce our resilience, and grow our sustainability impact across all our businesses. We also took the opportunity to re-examine and renew our direction and commitment towards sustainability to align the Group's priorities and ability to capture new opportunities as the economy showed initial signs of recovery.

OSK, Growing Together

Caring for the Environment

REDUCING SINGLE-USE PLASTICS

Launched Bring Your Own (BYO) Campaign in Plaza OSK, in conjunction with our 5R Campaign pilot project to mitigate single-use plastics from food packaging.

The Lovely Disabled Home Recycle Centre collecting recyclable items at Plaza OSK.

New recycling bins were introduced in Plaza OSK, as part of our 5R Campaign, which was launched in February 2022.

PROMOTING CIRCULARITY THROUGH RECYCLING & REDUCING SINGLE-USE PLASTICS

Upgraded from 3R Campaign to 5R as our pilot initiative in Plaza OSK, in conjunction with the introduction of new recycling bins in Plaza OSK.

Solar PV panels installed on the rooftop of our OCC factory in Krubong, Melaka, were fully commissioned in May 2021.

GENERATED RM194,099 OF ELECTRICITY SAVINGS FROM RENEWABLE ENERGY AT OCC

Solar PV installed at our cables factory in Melaka, with an estimated 546,758 kWh of power savings achieved equivalent to 545.1 tonnes of carbon reduction (as of Dec 2021).

SUSTAINABILITY

Shared Economic and Social Values

PRE-TAX PROFIT ("PBT") UP 14.4% YEAR-ON-YEAR TO RM464.6 MILLION IN FY2021

Th Group's registered a revenue of RM1.1 billion and recorded a higher PBT due to the improved performance of our core business segments. We also continued to be financially resilient amidst the major pandemic crisis that hit the world in 2021 with shareholders' funds grew 2.5% yoy to RM5.5 billion at the end of FY2021, equivalent to a net asset per share of RM2.63 (FY2020: RM2.57).

OSK Group's financial performance remained resilient in FY2021.

RM1.2 MILLION TO SUPPORT B40 COMMUNITIES AFFECTED BY COVID-19 AND NATURAL DISASTERS IN THE LAST TWO YEARS

COVID-19 and disaster relief form a significant portion of the total amount of philanthropic funds disbursed by OSK Foundation at more than RM6.6 million for various community development, education and environmental programmes, since commencement of operations in June 2016.

RM1.5 MILLION COMMITTED FOR OSK FOUNDATION SCHOLARSHIP 2021 SCHOLARS

Our cohort of 20 scholars from two public and four private universities in 2021 are receiving support in the form of full university fees, monthly living expenses throughout their undergraduate studies, and internship/ practical training opportunity in OSK Group.

OSK Foundation contributed to the Malaysian Relief Agency's emergency flood assistance programme in early-2022.

Ensuring Fair, Safe and Transparent Practices


The Group adopted social distancing in Plaza OSK and across all our business premises.

The Group also ensured strict adherence to all SOPs and preventive measures issued by MOH and NSC.

COVID-19: PROTECTING EMPLOYEES' WELL-BEING

Continued to adopt comprehensive risk-based approach in safeguarding the safety & 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.

OSK SAFE @ WORK

Full COVID-19 SOP compliances was practised across the organisation, and enabled WFH agility through robust digitalisation and online systems, supported by comprehensive cybersecurity and data protection measures.

TOP 100 IN CORPORATE GOVERNANCE

Continue to be recognised for our high levels of governance and compliance across the organisation and was listed on MSWG's List of Top 100 Companies for CG Disclosure for the 8th consecutive year. We were ranked 64th place in year 2020.

ZERO CASES OF UNETHICAL CONDUCT

The Group achieved full ABAC compliance across all our third-party vendors and suppliers during the year, and maintained our track record of zero cases of bribery and corruption in the way we conduct our business.

HIGHLIGHTS 2021


The completed Ryan & Miho project achieved high QLASSIC scores for both Tower A and Tower B.


Training and talk sessions were conducted virtually throughout 2021, as part of efforts to avoid large physical gatherings in our workplace.

UPHOLDING QUALITY EXCELLENCE

A testament of our commitment to deliver quality home for our customers, we continued to achieve high QLASSIC quality scores for our completed projects in FY2021:

- 75% for the Semaya phase in Iringan Bayu, Negeri Sembilan;
- 80% for Tower A and 84% for Tower B for Ryan & Miho in Section 13, Petaling Jaya; and
- 84% for Somerville Zone 2 phase, and 84% for Westfield Zone 1 phase in Yarra Park, Sungai Petani, Kedah.

22% YEAR-ON-YEAR INCREASE IN TOTAL TRAINING HOURS PER EMPLOYEE

Total training hours per employee increased to 18 hours in FY2021 from 15 hours in the previous year.

Sustainability
Statement

ABOUT THIS STATEMENT

THIS STATEMENT IS A SUMMARY OF OUR OSK GROUP SUSTAINABILITY REPORT 2021, PUBLISHED TO DOCUMENT OUR PROGRESS IN DRIVING A CULTURE OF SUSTAINABILITY, AND EMBEDDING SUSTAINABLE PRACTICES ACROSS THE GROUP.

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 and accurate disclosure of our sustainable efforts and achievements to all our stakeholders. As embedded within our Corporate Vision, sustainable value creation forms the core of our mission where we strive to grow our business sustainably, and drive meaningful change in the community.

Principal Guidelines

- Bursa Malaysia Securities Berhad Main Market Listing Requirement
- Bursa Malaysia's Sustainability Reporting Guide
- Malaysian Code of Corporate Governance

Additional Guidelines

- Global Reporting Initiative (GRI) Standards
- International Integrated Reporting Council <IR>

Reporting Period and Cycle

- 1 January – 31 December 2021 ("FY2021"), unless otherwise stated
- The OSK Sustainability Report is prepared and published on an annual basis, based on its financial year

Scope

- Our reporting scope encompasses the operations of OSK, 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.
- In developing this Report, the Group has taken cognisance of material sustainability matters that influence the Group's ability to create value, which are discussed in the "What Matters to Us" section, as well as the "Stakeholder-focused ESG Issues and Our Response" section found in the MD&A segment of this Report. Information regarding our stakeholders is found in the "How We Engage Our Stakeholders" section.

Feedback

- This report, as well as our previous sustainability reports, are available in PDF format and can be accessed in our corporate website at

  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 Group Chief Sustainability Officer at:

  info@oskgroup.com

The following icons indicate the respective sustainability pillars under the Group's Sustainability Blueprint, *OSK, Growing Together*, and are used throughout this Sustainability Statement.

Caring for the Environment

Shared Economic and Social Values

Ensuring Fair, Safe and Transparent Practices

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 & Functional Divisions	Sustainability Working Group (SWG)	Chief Sustainability Officer (CSO)	Group Management Risk Committee (GMRC)	Risk Management Committee (RMC)	OSK Board of Directors
All heads of Business Segments/Divisions and Support Functions within the Group and appointed Sustainability Champions.	Centralised Sustainability Working Committee	Oversees all sustainability-related matters across the Group.	Key members of the senior management team within the Group	Board subcommittee overseeing sustainability-related matters	Chaired by the Executive Chairman of the Group

Business & Functional Divisions / SWG	CSO / GMRC	RMC / OSK Board of Directors
• Drives, tracks and monitors progress and improve event 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.	• Responsible for driving and ensuring the effectiveness of the Group's sustainability strategy.

GROWING AND PROGRESSING TOGETHER

The Group's fundamental sustainability principle of "Moving Forward, Progressing Together" is integrated within 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.

HOW WE VIEW SUSTAINABILITY

Our Sustainability Policy and objectives, first adopted in 2013, set the tone and manner, as well as the basis of how we create value for our stakeholders. As a conglomerate, OSK is believes in striking a balance between the Economic and ESG factors to ensure a successful and thriving organisation in the long run. We remain firmly committed to our goals of delivering value to all our stakeholders, contributing to society, living in harmony with nature and creating a better future for all.

In addressing the challenges ahead, OSK sees sustainability as a means to build greater resilience in our business model, increase our competitiveness, and ensure that we maintain high standards of compliance and ethics in all our business practices, while strengthening our ability to innovate and build future-ready businesses.

To read more about our Sustainability Policy, please log on to: www.oskgroup.com/corporate-governance

Sustainability
Statement

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

OSK adopts an integrated approach to sustainability where our risk management processes are aligned with our identified Material Matters, enabling us to make better decisions guided by our business priorities, while leveraging on new opportunities to remain ahead of the curve.

This integrated approach not only strengthens our growth, resilience, and competitiveness, but also enables us to enhance the well-being of our employees, as well as the communities and the environment that we operate in. OSK's value creation model is anchored on our ethos of "Moving Forward, Progressing Together" and our belief that "what helps us do well, also helps us do good", which underscores our sustainability approach as a responsible business.

The model encompasses our role as an employer, developer, a builder, a financier, an asset owner, a manufacturer, and a corporate citizen, and guides us in advancing our greater purpose to deliver value and contribute to the common good. The inclusion of the value creation model as an element of the IIRC's integrated reporting <IR> framework represents another step forward in our efforts to develop a more robust sustainability reporting protocol, with the GRI standards and the UN SDGs as our core.

To find out more about our value creation model, please refer to our Sustainability Report 2021.

www.oskgroup.com/corporate-announcements

WHAT MATTERS TO US

Year 2021 was most notably marked by escalated concerns of COVID-19 as daily positive transmission cases reached its peak of above 22,000, together with a string of mitigative and socio-economic support measures implemented by the Government in response to the pandemic crisis. While the impact to our operating environment was substantial, the Group weathered the challenge through prudent financial and risk management; taking care of our employees, customers and business associates; accelerating our digital capacity and capability; coupled with strict compliance to SOPs prescribed by the authorities.

Recognising COVID-19 as a test of resilience and preparedness, the Group's core approach in managing the pandemic was agility, forward-thinking and adaptability, supported by the foresight afforded by our earlier materiality exercises in 2019 and 2020.

In 2021, we embarked on our third materiality review conducted by the SWG team to help us re-align and re-position our sustainability risks and opportunities vis-a-vis our stakeholders' perception towards the evolving operating landscape. In determining what matters to us, we carried out the following steps to help us gather, assess and evaluate our stakeholders' feedback:

1. Sustainability engagement with the Board and Risk Management Committee ("RMC")
2. Sustainability discussion with the Group Management Risk Committee ("GMRC")
3. Pre-Materiality Assessment Meeting with the SWG, members of Senior Management and Business Units
4. Materiality Assessment Survey 2021 sent to internal and external stakeholders (>100 responses received)
5. Focus Group Discussions with employees (four sessions were conducted involving 20 OSKers).

Stakeholder groups who were invited to participate in our materiality survey in 2021 include:

- Members of our Board of Directors;
- Members of our key Senior Management;
- Our employees;
- Our customers;
- Our business associates, industry partners and suppliers;
- Members of the community;
- Representatives from the Government and regulators;
- Members of the media; and well as
- Our shareholders, investors and lenders.

FOUR-STAGE 2021 MATERIALITY REVIEW PROCESS

The 2021 materiality exercise recalibrated our sustainability priorities, where our prior 20 material matters were distilled into 12 and prioritised in accordance to our refined three sustainability pillars (as discussed in our Sustainability Review 2021 section in this report).

STEP 1	STEP 2	STEP 3	STEP 4
Review relevance of current 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 and the Board.

MATERIALITY SURVEY OUTCOME

As a result of the exercise, our material issues (as shown in our Materiality Matrix below) again emphasised the importance of **"Safety, Health and Well-Being"** as being critical to our ability create value, while **"Market Leadership and Sustainability Returns", "Talent Management and Diversity", "Community Support and Development"** and **"Reputation"** emerged as areas perceived to deliver the most tangible value and most important to our stakeholders.

The valuable feedback has shaped our sustainability direction, where we will channel our sustainability initiatives to key areas that deliver the most impact, in alignment with our stakeholders' expectations.

MATERIALITY MATRIX

Sustainability
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SUSTAINABILITY REVIEW 2021

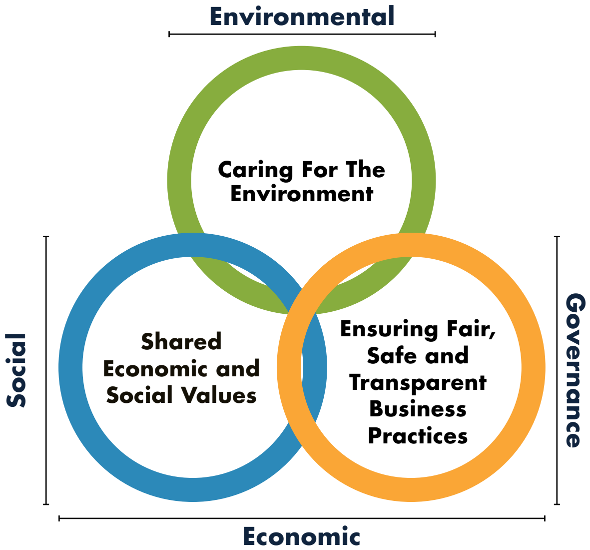
In our continued efforts to address the potential sustainability challenges from the continued disruptions caused by the COVID-19 pandemic in the economic, health and social landscape, the SWG had engaged the Group Management Risk Committee and the Board of Directors to review the relevance of our current approach and recalibrate our direction moving forward.

During the discussion, the Board reiterated and emphasised our commitment to ensure environmental and social sustainability as we strive to deliver value creation for sustainable growth. To realise a thriving and successful organisation in the long run, the Group's overarching perspective on sustainability is striking a balance between Economic and ESG factors in charting our business strategies, whilst building the Group's resilience against current and future challenges, and contributing to he well-being of the community.

As a result of the deliberation, the Board, in consultation with the RMC, had adopted the Sustainability Framework during a Board meeting in November 2021, to serve as the overarching guidance document on the Group's growth strategy and direction moving forward.

The Sustainability Framework reaffirms the Group's Sustainability Blueprint, "*OSK, Growing Together*", which continues to be grounded on our refined three sustainability pillars (previously referred to as our "focus areas") and collectively responds to the Group's latest 12 material matters encapsulated within the spheres Economic + Environmental, Social and Governance ("E + ESG").

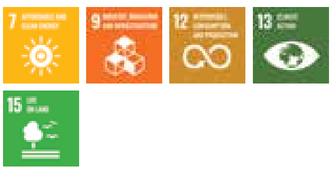
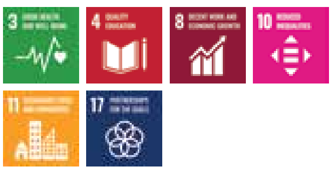
SUSTAINABILITY BLUEPRINT



Here are the key priorities that the Group is committed to achieve in each of the three sustainability pillars of *"OSK. Growing Together"*:

PILLAR ONE Caring for the Environment	PILLAR TWO Shared Economic and Social Values	PILLAR THREE Ensuring Fair, Safe and Transparent Business Practices
• Adopt business and environmental innovation • Promote green practices and increase use of renewable energy • Ensure responsible procurement and supply chain	• Strengthen market leadership for products/services and deliver sustainable returns • Nurture and support our talents • Support sustainable development through digital ecosystems, engagements and partnerships • Broaden and deepen our CSR impacts for the underserved community	• Zero corruption and incidents of fraud • Zero fatality and occupational illness • Uphold business integrity, ethical conduct and compliance

The blueprint's refined sustainability pillars are also aligned with the United Nation's 2030 Agenda for Sustainable Development (UN SDGs), a global agenda that aims to transform people's lives, be responsible for the planet, and ensure prosperity for all.

Sustainability Pillars	Caring for the Environment	Shared Economic & Social Values	Ensuring Fair, Safe and Transparent Business Practices
UN SDGs			

Under the Group's sustainability governance structure, the Board delegates the function of the Company's sustainability approach and direction to the RMC with the aim to continue building OSK as a sustainable business and delivers value to all stakeholders including our shareholders, employees, customers, suppliers, business partners, and the wider community.

In line with the Board's commitment to deliver on our corporate objectives, while contributing to society, living in harmony with nature and creating a better future, the Group had updated its Sustainability Policy during the financial year.

ENGAGING 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 since FY2020.

Identifying and Responding to Issues Material to Our Stakeholders

Key Stakeholder Groups	Areas of Interest	OSK's Approach	Engagement Platforms	Frequency of Engagement
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 • Supporting local suppliers and local producers To read more about our response, please refer to our Sustainability Report 2021.	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 our Sustainability Report 2021.	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
			• Catalogues and brochures	Ongoing
			• Annual Report	Annual
			• Sustainability Report	Annual
			• Company websites and social media	Ongoing
			• Company advertisements	As and when required
Customers including Tenants, Shoppers and Guests Providing safe, innovative and high-quality products and services for allour 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 our Sustainability Report 2021.	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
			• Integrated customer feedback channels	Ongoing
			• Loyalty programmes	Ongoing
			• Customer and tenant surveys, and market research	Annual
			• Meetings and discussions	As and when required
			• Catalogues and brochures	Ongoing
			• Integrated app for homebuyers and shoppers	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

Key Stakeholder Groups	Areas of Interest	OSK's Approach	Engagement Platforms	Frequency of Engagement
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 our Sustainability Report 2021.	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	Annual
			• Employee volunteering and CSR activities	As and when required
			• Internal engagement activities ie. 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
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 To read more about our response, please refer to our Sustainability Report 2021.	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
			• 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 To read more about our response, please refer to our Sustainability Report 2021.	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
			• Participation in corporate and CSR events	As and when required/ invited

Sustainability **Statement**

Key Stakeholder Groups	Areas of Interest	OSK's Approach	Engagement Platforms	Frequency of Engagement
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 To read more about our response, please refer to our Sustainability Report 2021.	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
Financiers 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 our Sustainability Report 2021.	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 our Sustainability Report 2021.	OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.	• Satisfaction surveys	Ongoing
			• Supplier audits	Ongoing
			• Supplier-organised events	Ongoing
			• Anti-bribery and anti-corruption pledge and compliance	Ongoing

OUR SUSTAINABILITY SCORECARD

Our sustainability scorecard in 2021 has been restructured in accordance with the three sustainability pillars of our blueprint, "*OSK. Growing Together*". The scorecard summarises the Group's key sustainability outcomes and achievements for the year encompassing the E+ESG aspects of our business, as well as our contribution to the global sustainability agenda of UN SDGs.

Sustainability Outcomes 2021

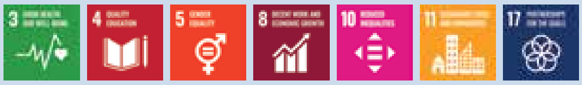
Material Matter	Focus Area(s)	Target(s)	Key Outcome(s)
Pillar One: Caring for the Environment			
Sustainability Impact Area: Environment			
Ecosystem and Biodiversity To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Environmental conservation and resilience	• Minimum one long-term initiative.	• Conserving the 22-acre Iringan Bayu Wetland Park as a natural biodiversity reserve within our Iringan Bayu township. • Maintaining our 3,745 m² public park at the Melbourne Square integrated development in Melbourne, the largest open green space in the Southbank district.
Resource Efficiency and Responsible Consumption To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Circularity • Resource optimisation • Responsible waste management	• Minimum one initiative per year.	• Two charity collections at Plaza OSK during the year with total recyclables collected at 1,210kg. • 450.58 tonnes of outgoing construction wastes generated between January and December 2021 in Ryan & Miho were sent for recycling through certified recycling vendors. • OCC commenced recycling ancillary waste materials generated from our factory In Melaka (ie. card boxes, carton boxes, steel belts, wrapping plastic, and plastics (polyethylene and vinyl (PVC)). Total weight of materials sent for recycling in 2021: 102,555kg. • Estimated total weight of cooking oil sent for recycling by Swiss-Garden Beach Resort Kuantan in 2021: 165kg • Estimated recycled wastes from the Windmills Upon Hills complex in 2021 (including Swiss-Garden Hotel & Residences Genting Highlands): a. Paper: 1,600 tonnes b. Plastic: 2,900 tonnes c. Cardboard boxes: 3,000 tonnes d. Glass/cans: 1,000 tonnes e. Food wastes: 17 tonnes
Carbon Management **Our Sustainability Driver:** To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Renewable energy • Emissions reduction	• Minimum one initiative per year.	• Total solar energy saving per month through our solar LED lights in Iringan Bayu is estimated at 2,437.2 kWh, equivalent to 22.8 tonnes of CO_2 avoided in 2021. • Total solar energy generated between May and December 2021 at our cables factory in Melaka was estimated at 546,758 kWh, equivalent to 545.1 tonnes of CO_2 avoided. • 3,484 energy-saving LED light tubes were installed at Atria's basement and multi-level parking facility (phase one) generating an estimated monthly electricity savings of 237,829 kWh, equivalent to 186 tonnes of CO_2 avoided per month (or 2,232 tonnes per annum).

OSK

Sustainability **Statement**

Material Matter	Focus Area(s)	Target(s)	Key Outcome(s)
Pillar Two: Shared Economic and Social Values			
Sustainability Impact Areas: Economic + Social			
Talent Management and Diversity To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Employee satisfaction • Learning and development • Employee engagement • Diversity and inclusiveness	• Employees' satisfaction score benchmarked against the Global Engagement Index 2021 of 69% (1Q2021) and 65% (2Q2021) (link) • Achieve a minimum average training satisfaction score of 75%.	• The Group achieved a higher overall employees' satisfaction score of 85.2% in 2021 (78.2% in 2020), based on our Employees Engagement Survey with an employee participation rate of 87.6%. • One Group Townhall session was carried out in June 2021 attended by 556 employees. • The Group maintained an average score of 83% for employees' training satisfaction in 2020 (83% in 2020). • Enhanced gender diversity in the Board with a female composition of 33.3% (as of 31 Dec 2021) compared with 25% in 2020.
Market Leadership & Sustainable Returns To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Economic performance • Sustainable returns for shareholders	• Sustain yearly net profits. • Net gearing ratio below 0.5 times. • Maintain high levels of customer satisfaction across our products and services.	• The Group registered a profit after tax ("PAT") of 341 million on the back of a total revenue of RM1.1 billion. • Net gearing ratio remained low at 0.36 times. • OSK Property achieved an average score of 4.20/5.00 in our Touch Point Survey in 2021. • Faber Towers registered an improved tenant rating of 3.89/ 5.00 in 2021 (2020: 3.85/ 5.00). • OCC achieved a higher customer satisfaction score of 4.06/ 5.00 in 2021 (2020: 4.04/5.00). • Swiss-Garden International achieved a higher customer satisfaction score of 3.9/ 5.00 (2020: 3.8/ 5.0). • SGI Vacation Club scored a higher members' Vacation Review rating of 88.9% in 2021 (2020: 84%).
Community Support & Development To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Community investments • Community development • Philanthropy • Helping the less fortunate	• Minimum five initiatives per year.	• Total philanthropic disbursements by OSK Foundation have exceeded RM6.6 million since commencement of operations in June 2016. • OSK Foundation supported over 33,071 beneficiaries with a total disbursement of RM2.2 million in FY2021. • OSK Foundation provided total RM133K cash aid to 182 affected homeowners and residents who suffered major losses in the fire incidents that hit two villages, Kampung Baru Karak and Kampung Sungai Karak, Bentong in early October. • Over the past two years, OSK Foundation has disbursed a total of RM1.2 million in Covid-related support and relief by supporting front-liners, vulnerable B40 communities' basic needs, education support, medical equipment for field hospital etc. • A total of RM105,000 in cash was extended to 22 Tokyo 2020 Paralympic Games athletes and the Paralympic Council of Malaysia as a way to encourage and recognise our country's paralympic athletes' outstanding performance at the games. • As at January 2022, the Foundation has disbursed a total of RM613K to identified organisations such is Yayasan Kebajikan Negara, Malaysian Relief Agency and other NGOs for flood relief throughout the nation. • An estimated RM1.5 million of scholarships were awarded to the OSK Foundation Scholarship 2021 cohort of 20 students from two local public universities and four private universities.

Sustainability
Statement

Material Matter	Focus Area(s)	Target(s)	Key Outcome(s)
Pillar Two: Shared Economic and Social Values			
Sustainability Impact Areas: Economic + Social			
Innovation & Partnerships To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Innovative products and services • Growth and partnerships	• Minimum one initiative per year.	• In response to restrictions imposed to mitigate the spread of COVID-19, OSK Property launched our virtual property fair, Essential Homes Series 2021 Campaign, in March 2021. The virtual property fair featured four of our best-selling projects, namely MIRA at Shorea Park, LEA by the Hills, Iringan Bayu, and Yarra Park. We also launched our new IOS and android mobile application called "The Brick" during the year to further connect with our buyers and the general public. • As part of our OSK Digital Transformation journey, we further automated and digitalised our processes to enhance our operational efficiency and effectiveness by introducing our new HR Chatbot: Sophia and Accounts Payable (AP) Automation System via our OSK e-Document Portal. • We diversified our Capital Financing business by venturing into the factoring and Islamic financing businesses with the formation of OSK Factoring Sdn Bhd and OSK Syariah Capital Sdn Bhd. We also ventured into gig economy financing through our partnership with Singapore-based Lyte Ventures Pte Ltd and formed Lyte Malaysia Sdn Bhd (formerly known as OSK Lyte Sdn Bhd).
Responsible Supply Chain To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Sustainable supply chain	• Minimum one initiative per year.	• Engaged our supply chain and achieved full ABAC compliance across all our third-party vendors and suppliers during the year.

Our thriving Yarra Park township in Sungai Petani, Kedah, is strategically located just 15 minutes away from the city centre and the North-South Highway.

Sustainability
Statement

Material Matter	Focus Area(s)	Target(s)	Key Outcome(s)
Pillar Three: Ensuring Fair, Safe and Transparent Business			
Sustainability Impact Areas: Governance and Economic			
Safety, Health and Well-Being To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• COVID-19 • Health and well-being • Workplace safety	• Minimum two initiatives per year.	• Introduced measures at our OSK headquarters during 2021 to safeguard the safety and well-being of our employees, tenants and visitors in Plaza OSK, such as air sanitiser, intelligent contactless lift system, and optical body temperature scanner at the lobby's turnstile. • Circulation of the latest COVID-19 updates, memos, health updates, preventive measures and info to all OSKers. • Placement of disinfection chambers at Plaza OSK and our construction sites. • Continued to practise precautionary measures such as social distancing, frequent sanitisation of common areas, and working from home across all business premises under the Group. • Purchased and distributed COVID-19 self-test kits for twice-weekly testing for all employees.
Ethics and Integrity To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Corporate governance • Conduct and integrity • Policies and internal controls	• Minimum one initiative per year.	• Developed Code of Conduct and Business Ethics ("Code") and Whistleblowing Policy for the Group's Property Development arm in Australia, known as Yarra Park City. The Code was rolled out in January 2021. • Adopted the Group's COVID-19 Policy to define the Group and our employees' duties in managing COVID-19 situations at the workplace. This includes compliance with the requirements of COVID-19 administration and adoption of the necessary measures to protect and mitigate COVID-19-related risk. • Adopted the Sustainability Framework to serve as a guidance document on the Group's growth strategy and direction in the coming years. • Updated Sustainability Policy in line with the Board's commitment to the goals of offering value to its stakeholders, contributing to society, living in harmony with nature and creating a better future.
Regulatory Compliance To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Legal compliance • Risk management	• Minimum two initiatives per year.	• Conducted enterprise risk management awareness programme. • Conducted internal controls and risk mitigation methodology programme. • Conducted business continuity management awareness sessions. • Reviewed and performed crisis simulation. • Periodic risk review, assessment and reporting.
Reputation To read more about our performance on this Material Matter, please refer to our Sustainability Report 2021.	• Corporate branding • Award and recognition	• To be listed in the Minority Shareholder Watch Group ("MSWG") Top 100 Companies for Overall CG & Performance • Minimum two award initiatives per year.	• Sustainability & CSR Malaysia Awards 2021 - Company of the Year Award (Diversified Business Entity) for Leadership in COVID-19 and Sustainability Initiatives. • The Edge Property Excellence Awards 2021: - The Edge Top Property Developers Awards 2021 (ranked #10) - Outstanding Overseas Project Award 2021 • StarProperty Awards 2021: - All-Stars Award - The Landscape Award (Township) [Excellence] – Iringan Bayu - The Starter Home Award (Landed) [Honours] – Iringan Bayu - The Family-Friendly Awards (Landed) [Merit] – Iringan Bayu • Listed on MSWG's List of Top 100 Companies for CG Disclosure for the 8th consecutive year. We were ranked 64th place in year 2020.

WHAT'S AHEAD

While having achieved further progress in our sustainability journey in 2021, there is still much to be done. Disruptions and challenges from COVID-19 in the past two years have shown us that our societies have immense potential for collective action and change when faced with a siginificant challenge, such as a global pandemic. If we were to distil the learnings what we have gone through, we will find that environmental integrity is central to sustaining human health across all human activities. Hence, a collective action by all communities to move towards a more sustainable society and economy is necessary to protect human health and well-being in the long run.

The refined Sustainability Framework that we have adopted in 2021 will serve us as our compass, as we strive to deliver impactful and meaningful change in what we do. Here is a glimpse of our next steps in FY2022:

Mitigating our carbon footprint

This will be one of the core goals of our corporate sustainability efforts in the coming year – to accelerate our green energy ambitions and to help others do that same. Besides nurturing trees as natural carbon sequesters in our parks, active efforts are underway to solarise our property developments and factories. This will be a multi-year initiative that will bring not only tangible benefits to our bottom line, but also to our community and the environment as the world races to net-zero in the coming decades.

Assessing transition risk

We will begin to look into potential risk our business might be facing as Malaysia and the world transitions to a low-carbon economy. Some of the areas that we will looking ranges from policy impacts to operations, technology, and the way we disclose our sustainability achievements, as well as how we could capture new opportunities ahead.

As stated by our Executive Chairman in his message earlier

"By fostering inclusivity and collaboration within and among our teams, we have been able to inspire innovation which spurred the organisation forward as we approached each challenge from different perspectives.

I am glad that our consistent efforts in instilling a culture of diversity, equity and inclusion is driving the Group in the right direction because it is only when we have the right mindset that we can achieve great feats."

OSK

DIRECTORS' **PROFILE**

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Executive Chairman

AGE: *77*

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
21 November 1990

Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong"), is the Executive Chairman of the Company. 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, the Non-Independent Non-Executive Chairman of 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 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 2021.

Tan Sri Ong has no conflict of interest other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report.

Tan Sri Ong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

ONG JU YAN

Group Managing Director

AGE: 42

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
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 20 years of experience in business management, with a focus on financial services. He began his career working for Citibank Malaysia and Morgan Stanley in Hong Kong, New York 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 strategic 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 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 2021.

Mr. Ong has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report.

Mr. Ong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

DIRECTORS'
PROFILE

ONG JU XING

Deputy Group Managing Director

AGE: 37

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
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 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 2021.

Mr. Ong has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report.

Mr. Ong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

DATO' SAIFUL BAHRI BIN ZAINUDDIN

Executive Director

AGE: 60

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
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 and Financial Institutions Directors Education Programme (FIDE) in 2018.

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. He was the Financial Adviser to the State Government of Negeri Sembilan, a member of the Negeri Sembilan State Government Think Tank, an Audit Committee Member for Universiti Sains Islam Malaysia (USIM) and most recent appointment, a director of KAF Seagroatt & Campbell Berhad.

Dato' Saiful Bahri was appointed by the Minister of Finance as Independent Non-Executive Director of Bursa Malaysia Berhad in 2008, 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 was 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 and also was a Board Member of Securities Industry Dispute Resolution Centre (SIDREC), appointed to the Board on 28 April 2010.

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 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 2021.

Dato' Saiful Bahri attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

DIRECTORS'
PROFILE

DATO' THANARAJASINGAM SUBRAMANIAM

Senior Independent Non-Executive Director

AGE: 71

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
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 the 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 2021.

Dato' Thanarajasingam attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

DATIN AZALINA BINTI ADHAM

Independent Non-Executive Director

AGE: 53

GENDER: Female

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
1 July 2021

Datin Azalina binti Adham ("Datin Azalina"), is the Independent Non-Executive Director of the Company. She was appointed to the Board of the Company on 1 July 2021. She is a member of the Risk Management Committee of the Company.

Datin Azalina holds a Bachelor of Science Degree in Finance from Purdue University, United States of America ("USA") and is an Alumni of the Harvard Business School, USA through its Advanced Management Programme.

Datin Azalina brings over 29 years of diverse financial and capital market experience in investment banking, corporate finance as well as the stock exchange business. She was formerly the Chief Operating Officer of Bursa Malaysia, the Malaysian national stock exchange. During her tenure at Bursa Malaysia, she led several transformational initiatives including Bursa Marketplace - the first-of-its-kind virtual marketplace; Bursa Anywhere - ASEANs first mobile depository e-services app; and the Leading Entrepreneur Accelerator Platform (LEAP) Market - ASEANs first-of-its-kind alternative capital raising platform for SMEs. Prior to joining the national stock exchange, she was an investment banker with experience in corporate banking, corporate finance and privatisation having served with Maybank Investment Bank Berhad and Alliance Investment Bank Berhad.

Datin Azalina is currently an Independent Non-Executive Director of Media Prima Berhad and PRG Holdings Berhad and serves on various board committees of the companies. She is also an Independent Non-Executive Director of MyCreative Ventures Sdn Bhd, a wholly owned subsidiary of Ministry of Finance Incorporated (MOF Inc), where she serves as the Chairman of its Board Risk Management Committee and Board Change Management Commitee. She is also a member of Executive Advisory Panel of the Cultural Development Agency, CENDANA.

Datin Azalina 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 2021.

Datin Azalina attended all the two Board Meetings of the Company held during the financial year ended 31 December 2021 since her appointment on 1 July 2021.

Board Meetings 2/2

DIRECTORS'
PROFILE

LEONG KENG YUEN

Independent Non-Executive Director

AGE: 71

GENDER: Male

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
25 May 2018

Leong Keng Yuen ("Mr. Leong"), is the Independent Non-Executive Director of the Company. He 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 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 2021.

Mr. Leong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

WONG WEN MIIN

Independent Non-Executive Director

AGE: 64

GENDER: Female

NATIONALITY: Malaysian

DATE APPOINTED TO THE BOARD:
1 July 2021

Wong Wen Miin ("Ms. Wong"), is the Independent Non-Executive Director of the Company. She was appointed to the Board of the Company on 1 July 2021. She is the Chairman of the Risk Management Committee and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Ms. Wong graduated with Bachelor of Science in Resource Economics from University Putra Malaya in 1983. She then obtained her Diploma in Public Administration and completed an Advanced Leadership Management Programme from National Institute of Public Administration (INTAN) Malaysia in 1989 and 2011 respectively. She also completed her Masters in Economics from University of Malaya in 2006.

Ms. Wong began her career in the Government beginning in the Ministry of Works Malaysia in July 1983 until November 1988 when she joined the Ministry of Finance Malaysia. Throughout her 30 years of service with the Ministry of Finance Malaysia, she was involved in several roles in various Government departments such as Senior Principal Assistant Secretary (Privatisation and MKD Companies Unit), Division Deputy Secretary (Market Loans and Procurement) and Division Deputy Secretary (Regulatory and Actuary), all in Loan Management, Financial Market and Actuary Division. She later joined the Housing Loan Division as Division Deputy Secretary (Operation and Finance Sector) and Strategic Investment Division as Deputy Under Secretary (Investment Evaluation Sector). Prior to her retirement, Ms. Wong held the position of Deputy Director General (Special Projects) in Public Private Partnership Unit, Prime Minister's Department from February 2017 to June 2018. She was also an Independent Non-Executive Director of Ecobuilt Holdings Berhad from November 2018 to November 2021.

Ms. Wong is currently an Independent Non-Executive Director of Kim Teck Cheong Consolidated Berhad and DXN Holdings Berhad. She is also a Director of Port Klang Free Zone Sdn Bhd.

Ms. Wong 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 2021.

Ms. Wong attended all the two Board Meetings of the Company held during the financial year ended 31 December 2021 since her appointment on 1 July 2021.

Board Meetings 2/2

DIRECTORS'
PROFILE

ONG YEE CHING

Non-Independent Non-Executive Director

AGE: 44

GENDER: Female

NATIONALITY: Singaporean

DATE APPOINTED TO THE BOARD:
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 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 2021.

Ms. Ong has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report.

Ms. Ong attended all the four Board Meetings of the Company held during the financial year ended 31 December 2021.

Board Meetings 4/4

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: 69

GENDER: Female

NATIONALITY: Malaysian

Puan Sri Khor Chai Moi ("Puan Sri Khor") was appointed the 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. 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 2021.

Puan Sri Khor has no conflict of interest with the Company other than as disclosed under Additional Disclosures Section (Recurrent Related Party Transactions) of this Annual Report.

ONG GHEE BIN

Chief Executive Officer, Property Development

AGE: 60

GENDER: Male

NATIONALITY: 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 2021.

KEY SENIOR
MANAGEMENT'S PROFILE

YEOH PEIK HONG, DAIDRE

Chief Operating Officer, OSK Supplies

AGE: 47

GENDER: Female

NATIONALITY: Malaysian

Ms. Yeoh Peik Hong, Daidre ("Ms. Yeoh"), ACIS (CS) (CGP), was appointed the 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 2021.

YEAT SIEW HONG

Chief Executive Officer, Cables

AGE: 65

GENDER: Male

NATIONALITY: 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 2021.

KEY SENIOR
MANAGEMENT'S PROFILE

TAN KHEAK CHUN

Chief Executive Officer, Industrialised Building System (IBS)

AGE: 53

GENDER: Male

NATIONALITY: 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 (IBS) 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 2021.

TING CHUN HONG, IVAN

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

AGE: 55

GENDER: Male

NATIONALITY: 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 appointed as Chief Operating Officer by overseeing 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 30 years of vacation club experience in all aspects of the business from sales and marketing to overall operations. He was the former 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 2021.

KEY SENIOR **MANAGEMENT'S PROFILE**

CHOW HOCK KIN

Chief Executive Officer, Capital Financing, Malaysia

AGE: 61

GENDER: Male

NATIONALITY: 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 promoted as Chief Executive Officer, Capital Financing, Malaysia.

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 2021.

CHEW CHENG LEONG, EDWIN

Chief Executive Officer, Capital Financing, Australia

AGE: 57

GENDER: Male

NATIONALITY: Australian

Mr. Chew Cheng Leong, Edwin ("Mr. Chew") was appointed the Chief Executive Officer, Capital Financing, Australia on 1 July 2021.

Mr. Chew is a Certified Practising Accountant, CPA Australia.

Mr. Chew began his career with Arthur Andersen in 1987 and was the Head of the Corporate Finance practice in Malaysia from 1999-2002, before joining Ernst & Young ("EY"). He led EY's Far East Area M&A practice from 2008-2010, the Far East Area Lead Advisory practice from 2009-2011 and the Transaction Advisory practice in Malaysia from 2010-2011. Mr. Chew was also Executive Director at CIMB Securities (Australia) from 2015-2016.

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

Mr. Chew 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 2021.

KEY SENIOR
MANAGEMENT'S PROFILE

NG LAI PING

Group Chief Financial Officer

AGE: 52

GENDER: Female

NATIONALITY: 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 2021.

TIO JUN LIM

Director/ Head, Corporate Strategy
Chief Sustainability Officer

AGE: 48

GENDER: Male

NATIONALITY: Malaysian

Mr. Tio Jun Lim ("Mr. Tio") was appointed the Director/ Head, Corporate Strategy of OSK Group on 1 October 2019. In addition to his role as the Director/ Head, Corporate Strategy, he was appointed as Chief Sustainability Officer on 19 November 2021.

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 2021.

OSK

KEY SENIOR MANAGEMENT'S PROFILE

MAK PICK WAN, CHRIS

Chief Information Officer

AGE: 56

GENDER: Female

NATIONALITY: Malaysian

Ms. Mak Pick Wan, Chris ("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 30 years of experience in Information Technology across multi-industries such as Property, Construction, Hotels, Time Share, Manufacturing and Financing Business.

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 2021.

CHENG KEE THIAM

Head, Group Internal Auditor

AGE: 37

GENDER: Male

NATIONALITY: Malaysian

Mr. Cheng Kee Thiam ("Mr. Cheng") was appointed the Head, Group Internal Auditor of OSK Group on 13 September 2021.

Mr. Cheng is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

Prior to this appointment, Mr. Cheng has over 15 years of internal audit experience, including international exposure in China, Bangladesh, Vietnam, Australia and Thailand. He joined OSK Group from IGB Group, where he was the General Manager of Internal Audit. Mr. Cheng had the opportunity to supervise and execute audit assignments across a variety of industries, including property development, commercial offices, retail malls, hospitality, construction, building materials and manufacturing.

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

Mr. Cheng 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 2021.

KEY SENIOR **MANAGEMENT'S PROFILE**

WANG CHOON HUI, DEBBIE

Chief Human Resources Officer

AGE: 50

GENDER: Female

NATIONALITY: Malaysian

Ms. Wang Choon Hui, Debbie ("Ms. Wang") was appointed the Chief Human Resources Officer of OSK Group on 15 October 2019.

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.

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 2021.

WOO LAI MEI

Head, Group Legal

AGE: 57

GENDER: Female

NATIONALITY: 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 2021.

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 CG practices of the Company and its subsidiaries ("OSK Group" or "the Group") for the financial year ended 31 December 2021 ("FY2021").

This Statement is prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Main Market Listing Requirements ("Listing Requirements") and takes guidance from the principles set out in the Malaysian Code on Corporate Governance ("MCCG"). It is to be read in conjunction with the Company's Corporate Governance Report in respect of the FY2021 ("CG Report"), which is published on Bursa Malaysia's and the Company's website.

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

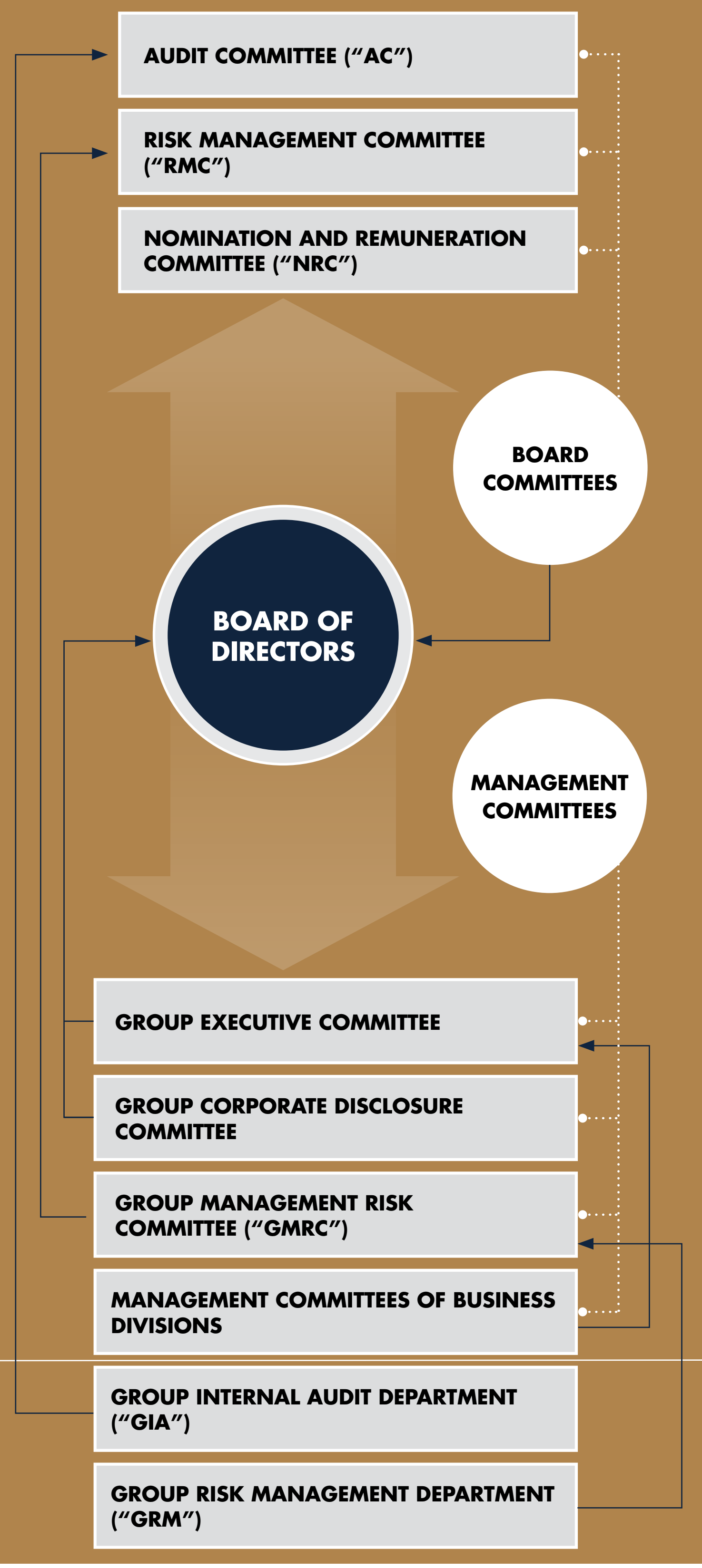
The major responsibilities of the Board are outlined in the Board Charter which documents the governance and structure of the Board and its committees, including the major responsibilities, authority, matters reserved for the Board, guidances on Board's conduct and the Terms of Reference ("TOR") of the Board and committees.

In the FY2021, 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 Company is a sustainable, successful and thriving organisation in the long run and striking a balance between the Economic and Environmental, Social, and Governance ("ESG") factors;
- 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 Board Committees and Management Committees to assist in the discharge of its responsibilities.

The Group's Governance Structure as at 31 December 2021 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 periodically reviews the TORs of the Board Committees to ensure that they are consistent with rules and regulations prescribed under the Listing Requirements and MCCG. The Board Charter and TOR of RMC were last reviewed and approved by the Board in November 2020 and May 2021 respectively.

The positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals and their roles and responsibilities are distinct and clearly defined in the Board Charter. 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 CEO is assumed by Mr. Ong Ju Yan, the Group Managing Director. Tan Sri Ong is not a member of the Board Committees which are chaired by an Independent Non-Executive Director and the composition of these Board Committees comprise a majority of Independent Non-Executive Directors.

In addition, 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 met four times during the FY2021 and had other ad-hoc discussion/ informal meetings to discuss strategic and policy matters. All Directors attended all the Board meetings held during the FY2021 and complied with the attendance requirement for Board meetings as stipulated in the Listing Requirements. Details of Directors' attendance at Board and Board Committee meetings during the FY2021 are summarised as follows:

		Attendance of Meetings			
	Name of Directors	**Board**	**AC**	**RMC**	**NRC**
1	**Tan Sri Ong Leong Huat @ Wong Joo Hwa**	4/4	-	-	-
2	**Ong Ju Yan**	4/4	-	-	-
3	**Ong Ju Xing**	4/4	-	-	-
4	**Dato' Saiful Bahri bin Zainuddin**	4/4	-	-	-
5	**Dato' Thanarajasingam Subramaniam**	4/4	4/4	4/4	3/3
6	**Datin Azalina binti Adham** (Appointed on 1 July 2021)	2/2	-	2/2	-
7	**Leong Keng Yuen**	4/4	4/4	-	3/3
8	**Wong Wen Miin** (Appointed on 1 July 2021)	2/2	2/2	2/2	-
9	**Ong Yee Ching**	4/4	-	4/4	-
10	**Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir** (Resigned on 30 June 2021)	2/2	2/2	2/2	3/3

The Board is supported by two Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Licensed Secretary by Companies Commission of Malaysia respectively. They 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 keep abreast of regulatory changes, corporate governance development and observe the Code of Ethics for Company Secretaries. The Board has full access to the advice and services of the Company Secretaries as well as information relating to the Company's affairs.

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 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 adopted the Fit and Proper Standards for Directors and Key Senior Management and it was last reviewed by the Board in November 2020. The said Fit and Proper Standards 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.

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

The Board approved the adoption of the ABAC Handbook in November 2019 for the 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 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 was also translated into Bahasa Malaysia and published in year 2020.

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

The Group 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 to ensure that they are fair and conducted at arms' length.

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

The Group 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 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.

www.oskgroup.com/corporate-governance

Given the Board's emphasis on the strategic importance of sustainability to the Group, the Board first adopted the Group's Sustainability Policy in February 2013. A subsequent review of the policy was undertaken in November 2016 to further enhance the objectives and strategies with regards to sustainability matters, including the governance structure, commitments and focus areas. In light of significant developments surrounding the Group's operating environment with the onset of the COVID-19 pandemic, a second review of the Group's Sustainability Policy was carried out in November 2021.

In the continued aspiration of becoming a purpose-driven organisation and further strengthen its ability to bring meaningful change to society, the second review focused on additional efforts needed to build greater organisational resilience and agility; to increase the Group's competitiveness; and to maintain the high standards of compliance and ethics in the Group's business practices. The Board re-assessed the efficiency and effectiveness of the Group's sustainability governance structure during the policy review in FY2021 and reaffirmed it.

Concurrently, the Board also approved the Sustainability Framework, which sets out the strategic direction and internal roadmap for sustainability in the coming years.

The Board remains the ultimate body in delivering the targeted milestones under the Group's sustainability agenda, in keeping with the Group's business strategy and action plans. In carrying out its responsibilities relating to sustainability, the Board is supported by the RMC, GMRC and Chief Sustainability Officer ("CSO"), as stated in the Group's latest Sustainability Policy. The CSO is entrusted to drive the implementation and provide updates on the Group's ESG progress to the GMRC and RMC during quarterly meetings.

Our Sustainability Policy is available on the Company's website.

www.oskgroup.com/corporate-governance

Details of the Group's sustainability material matters and how we have responded are set out in the Sustainability Statement found within our Annual Report 2021, as well as our Sustainability Report 2021.

Our Annual Report 2021 and Sustainability Report 2021 are available on the Company's website.

www.oskgroup.com/corporate-announcements

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

The Company believes that enhancing the social and professional diversity among Board and Senior Management is essential in realising its strategic objectives and ensuring the Group's sustainable growth. For the appointment of any Board and Senior Management, 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 composition of the Board and Senior Management and Board Combined Skills Matrix, as at 31 December 2021, are illustrated as below:

Board Membership

Executive Directors	4
Independent Non-Executive Directors	4
Non-Independent Non-Executive Director	1

Total 9

Board and Senior Management Diversity

	Board	Senior Management^
Ethnicity		
Chinese	6	17
Malay	2	1
Indian	1	
Gender		
Male	6	12
Female	3	6
Age		
30-39 years	1	2
40-49 years	2	3
50-59 years	2	7
60 years and above	4	6

Note: ^ includes four Executive Directors

Board Combined Skills Matrix

- Senior Leadership Experience
- Business/ Industry Experience
- Global Perspective
- Financial Expertise/ Knowledge
- Good Corporate Governance
- Strategic Planning and Business Development
- Human Capital Management
- Legal and Regulatory Requirements
- Risk Management and Internal Control
- Entrepreneurial Experience

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, experiences and skills, as per the Board Combined Skills Matrix. Every individual Director possesses one or more skillsets.

In the FY2021, the independence of the Board has improved with appointment of an additional Independent Non-Executive Director as compared to the Board's composition in the financial year 2020. The Independent Non-Executive Directors make up more than 44% of the Board and complies with Listing Requirements which require more than one-third (1/3) of the Board. 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 views the number of Independent Non-Executive Directors currently enlisted as adequate to provide the necessary independent judgement to the Board's decision-making process. The Board operates in a manner that the collective decisions made by the Board are in the best interest of the Company.

In addition, to ensure adequate checks and balances, all the Board Committees of the Company are chaired by an Independent Non-Executive Director and the composition of these Board Committees comprise a majority of Independent Non-Executive Directors.

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 FY2021, none of the Independent Directors had served more than nine years on the Board.

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 Diversity and Inclusion Policy is available on the Company's website.

www.oskgroup.com/corporate-governance

The Board currently comprises nine Directors, out of whom three are women, which translates to a 33% female representation. The Board, through the NRC, reviews the gender diversity of Senior Management annually. As at 31 December 2021, there were six female Senior Management members, representing 33% women participation at the Senior Management level.

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:

Evaluation	Board	Board Committees	Individual Directors
Assessment Criteria	• 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 FY2021, 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 FY2021, the NRC had conducted its annual assessment covering the following areas:

- The performance of the Directors who will be retiring at the 31st Annual General Meeting ("AGM") in year 2021, 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.

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.

Key training programmes attended by each Director during the FY2021 are tabled below:

Name of Directors	Training Programmes
Tan Sri Ong Leong Huat @ Wong Joo Hwa	• Defending Your Company & Keeping Up to Date with Key Cybersecurity Risks • JC3 Flagship Conference 2021: Finance for Change • Internal Capital Adequacy Assessment Process (ICAAP) • Sustainability; Decarbonisation and Carbon Neutrality • Corporate Governance Talk on 'Intentional Integrity' • Digital Transformation in Islamic Finance Towards Shariah Compliance • IMKL 2021 Virtual Series 1 – Economic Reform • IMKL 2021 Virtual Series 2 – Reviving Malaysia's Growth Engine • IMKL 2021 Virtual Series 3 – Panel 4 Malaysia up and rising unicorns • IMKL 2021 Virtual Series 4 – Renewable Energy –Decarbonising Malaysia
Ong Ju Yan	• Standard Chartered 2021 Global Outlook: The Road to Redemption • HSBC Asian Outlook 2021 • RHB Global Market Outlook 2021: Post pandemic – Navigating the Path Ahead • Wong & Partners: Demystifying ESG and Sustainable Finance in Malaysia • ICCX Digital 365 • YPC Stage 1 Sharing Session (Session 1: Construction) • Practical Guide for Directors and SC's Guidelines on Conduct of Directors • Maybank Invest Asean 2021: Asean Infrastructure: Realigning Priorities • Standard Chartered Global & Malaysia's H2 2021 Outlook • PNB Knowledge Forum 2021: Rising Above Covid-19: Reimaging Work in Malaysia and Beyond • YPC Sharing Session (Session 2: Sales & Marketing/CBRE) • Maybank Invest Asean 2021: Asean Macro Outlook & Asean Strategy • Lee Hishamuddin, Allen & Gledhill: Islamic Financing 101 – From the Legal Perspective • M/S Gan Partnership: New Amendments to the IRA 1967 • OSK Syariah Capital: Islamic Financing 101 – from the Syariah Advisory's Perspective • Sustainability; Decarbonisation and Carbon Neutrality • YPC Sharing Session – Operational Aspects with OC & Building Manager • HSBC Global Emerging Markets Forum • IMKL 2021 Virtual Series 1 – Economic Reform • Deloitte Malaysia: Budget 2022 Update • Affin Hwang Asset Management Tax Seminar: Dialogue on Budget 2022 (Proposed Tax on Foreign Source Income) • Affin Hwang Asset Management: Markets Review & Outlook • YPC Sharing Session – Architecture and Design with Cox Architecture and Carr Design
Ong Ju Xing	• Market & Feasibility Studies – Determining Price of Land (Township Project) and Sale Price of the Units • YPC Stage 1 Sharing Session (Session 1: Construction) • Practical Guide for Directors and SC's Guidelines on Conduct of Directors • YPC Sharing Session (Session 2: Sales & Marketing/CBRE) • M/S Gan Partnership: New Amendments to the IRA 1967 • Sustainability; Decarbonisation and Carbon Neutrality • YPC Sharing Session – Operational Aspects with OC & Building Manager • Extreme Ownership – Insights Sharing 3 • YPC Sharing Session – Architecture and Design with Cox Architecture and Carr Design

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Dato' Saiful Bahri bin Zainuddin	• Cyber Security Training • Practical Guide for Directors and Securities Commission's Guidelines on Conduct of Directors • Sustainability; Decarbonisation and Carbon Neutrality • Launch of Capital Market Master Plan • IMKL 2021 Virtual Series 1 – Economic Reform • FMAM's 6th Investor Engagement Series
Dato' Thanarajasingam Subramaniam	• Implementing Amendments in the Malaysian Code on Corporate Governance • Board's Role in the Changing World of Work • Nominating and Remuneration Committees: Beyond Box–Ticking and Enhancing Effectiveness
Datin Azalina binti Adham	• Sustainability; Decarbonisation and Carbon Neutrality • Mandatory Accreditation Program (MAP) • Board of Directors' Workshop – The Purpose Driven Organisation • Board of Directors' Workshop – MyDIGITAL and National Fourth Industrial Revolution Policy • Board of Directors' Workshop – Malaysia Entertainment & Media Outlook: 2021-2025 • Sustainability Management & Reporting
Leong Keng Yuen	• Blockchain Technology to Prevent Corruption in Covid-19 Response – How it can Help to Overcome Risks • Covid-19 Vaccines: To Vaccinate or not to Vaccinate? • Integrated Reporting – The ASEAN Experience • Implementing Amendments in the Malaysian Code on Corporate Governance • Introduction to Integrated Reporting • Valuation of Early and Growth Stage Tech Companies • Sustainability; Decarbonisation and Carbon Neutrality • Malaysia Budget 2022 • Fraud Risk Management Workshop
Wong Wen Miin	• MIA Webinar Series: Pre & Post IPO Rules and Key Updates to Listing Requirements • Sustainability; Decarbonisation and Carbon Neutrality • Seminar by Audit Oversight Board with Audit Committees

Ong Yee Ching	• UBS 2021 Market Outlook • ACRA-SGX-SID Audit Committee Seminar 2021 • CTP 1 – Reimagining Your Cyber Security Strategy • CTP 2 – Accelerating Your Digital Transformation • CTP 3 – Redesign Business Models Towards Sustainability • CTP 7 – Future of Corporate Governance • CTP 8 – Future of Assurance – Digital Risks • CTP 11 – Global Virtual Roundtable (#2) • CTP 14 – Driving Climate Change through Executive Compensation • SID AC Pit-Stop: Valuation – Addressing Challenges in Uncertain Economic Times • 2021 Malaysia Economic and Strategic Outlook Forum • Singapore Property Insight Webinar • Citibank: Biden Administration: Priorities and Outlook for Asia Pacific • SCMP: Chinese Conference for South East Asia • SID/SGOOD: Passion vs Competency • SCCCI International Women's Day Conference • SID-CriticalEye Global Virtual Roundtable #1: The Board's Role in Reimagining the Workforce • Bloomberg Equality Summit – Investing in a More Equal Future • Forbes Asia CEO Webinar: The Way Forward • SCCCI: The Road to Recovery • Building An Inclusive Sustainable Business to Combat Poverty • SID: Looking Beyond the Pandemic – Important Role of the AC • An Insider Guide to Cryptocurrency and Blockchain • Sustainability; Decarbonisation and Carbon Neutrality • Global Virtual Roundtable 3: Innovation in the Boardroom • Extreme Ownership – Insights Sharing 1

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.

www.oskgroup.com/corporate-governance

In the FY2021, 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 FY2021, including a breakdown of each individual Director's remuneration such as fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Practice 8.1 in our CG Report and Note 4.3 to the Financial Statements in our Annual Report 2021.

In the forthcoming AGM, the Company would be seeking shareholders' approval for the Directors' fees and benefit payable to Non-Executive Directors for the period from 22 April 2022 until the next AGM in year 2023.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC comprises exclusively of three Independent Non-Executive Directors. The 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 an Independent Non-Executive Director 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 FY2021, none of the AC members were former key audit partners of the Company. The AC will review and recommend to the Board to update its TOR on the requirement to observe the cooling-off period of at least three years before appointment of a former partner of the external audit firm of the Company as a member of the AC, as recommended by the MCCG.

The AC's composition and details of the key activities carried out by the AC during the FY2021 are set out in the AC Report of our Annual Report 2021.

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 Non-Executive Directors and is chaired by an Independent Non-Executive Director.

The Board is committed to ensure the effectiveness of risk management and internal control systems by continuously reviewing the adequacy of controls and integrity of the Group's systems. The Management assists the Board in the implementation of policies and procedures on risk management and internal controls on governance aspects of operation, regulatory, financial, cybersecurity and business continuity management.

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 GIA, which is responsible for the overall internal audit activities of the Group. GIA functions independently of the activities that it audits. The GIA Head reports directly to the AC. The GIA 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 GIA 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 2021.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement 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, capital providers 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 2021.

In delivering the Board's commitment to build greater confidence and trust with our stakeholders through continuous improvement of our disclosure practices, the Company has made further progress in incorporating elements of the International Integrated Reporting <IR> Framework into our corporate reporting during the FY2021 such as inclusion of <IR> element in our Sustainability Report 2021. Among the objectives of adopting the <IR> Framework is to further enhance the quality of our disclosure, while promoting a more efficient approach in disclosing the various factors that materially affect our ability to create value over time. The ongoing improvement is envisioned to further strengthen the Company's CG culture and accountability towards our stakeholders. All stakeholders are welcome to provide feedback and comments at info@oskgroup.com as the Company progressively enhances its 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 FY2021, 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 the virtual 31st AGM held on 21 April 2021. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

The Notice of 31st 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 31st AGM, so as to afford shareholders sufficient time to consider the proposed resolutions at the 31st AGM as well as to allow for arrangement of proxies to attend the 31st AGM on their behalf, if so required.

OSK

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

PRINCIPLE C

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

All Directors, Chairmen of AC, RMC and NRC attended and participated the 31st AGM physically or virtually due to travel restrictions amidst the COVID-19 pandemic. The Group Managing Director, Deputy Group Managing Director together with Group CFO presented the financial performance highlights of the Group for the FY2020. In addition, written queries from the Minority Shareholders Watch Group and corresponding responses from the Company were also presented.

The Chairman of the 31st AGM ensured that ample time was given to shareholders to raise issues relating to the affairs of the Company during the Question and Answer sessions.

The Minutes of the 31st AGM was made available to the shareholders within 30 business days after the 31st AGM at the Company's website.

www.oskgroup.com/wp-content/uploads/2021/05/OSKH-Minutes-of-31st-AGM.pdf

CORPORATE GOVERNANCE PRIORITY

In the Board's effort to achieve a high standard of CG, the Board will review the TORs and policies of the Group periodically with reference to MCCG, Listing Requirements and guidelines issued by the authorities or regulators. Among others, to review and update the TOR of AC on the requirement to observe the cooling-off period of at least three years before appointment of a former partner of the external audit firm of the Company as a member of the AC.

This Statement was approved by the Board of Directors of the Company on 28 February 2022.

AUDIT COMMITTEE **REPORT**

INTRODUCTION

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 members of the Committee will assess, review and update the TOR periodically or as and when there are changes to the regulatory requirements, direction or strategies of the Company that may affect the Committee's roles, and recommend the changes for approval by the Board.

The TOR is published on the Company's website at www.oskgroup.com/corporate-governance.

The Committee is pleased to present its report for the financial year ended 31 December 2021 ("FY2021").

COMPOSITION

The Committee comprises three members all of whom are Independent Non-Executive Directors. This meets the requirements of Paragraphs 15.09(1) and (2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements").

The Chairman of the Committee is not the Chairman of the Board.

The composition of the Committee is in line with Practice 9.1 and Step-Up Practice 9.4 under the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The Committee consists of the following members:

Name of Director	Designation	Directorship
Leong Keng Yuen	Chairman	Independent Non-Executive Director
Dato' Thanarajasingam Subramaniam	Member	Senior Independent Non-Executive Director
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	Member	Independent Non-Executive Director *(Resigned on 30 June 2021)*
Ms. Wong Wen Miin	Member	Independent Non-Executive Director *(Appointed on 1 July 2021)*

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2021, the Committee held a total of four meetings. The details of attendance of the Committee members are as follows:

Name	1st Quarter ACM 25.02.2021	2nd Quarter ACM 19.05.2021	3rd Quarter ACM 24.08.2021	4th Quarter ACM 17.11.2021	Attendance (%)
Leong Keng Yuen (Chairman)	√	√	√	√	4/4 (100%)
Dato' Thanarajasingam Subramaniam	√	√	√	√	4/4 (100%)
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	√	√	N/A	N/A	2/2 (100%)
Wong Wen Miin	N/A	N/A	√	√	2/2 (100%)

The Committee meetings were held virtually due to the Covid-19 pandemic. The Committee meetings were also attended by the Group Managing Director, Non-Independent Non-Executive Director, Group Chief Financial Officer, Head of Finance, Head of Group Internal Audit, senior representatives of the external auditors (when required), and the Company Secretary to brief and provide comprehensive explanation on their respective reports.

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 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 follow-up and update the Committee in the next meeting and these were properly dealt with and minuted.

AUDIT COMMITTEE **REPORT**

SUMMARY OF ACTIVITIES

The Committee carried out the following in discharging its functions and duties for FY2021, which are in line with its responsibilities as set out in its TOR:

Internal Audit

1. Reviewed and approved the risk-based annual internal audit plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas;
2. Reviewed the adequacy and effectiveness of the Group's risk management processes including Internal Audit's response to the emerging risks emanating from the changes in the business, operations and regulatory environment, internal control, and governance processes during the year;
3. Reviewed and approved the revised Internal Audit Charter and Audit Committee Report;
4. Reviewed and deliberated on the internal audit reports from audits conducted by the Group Internal Audit Department;
5. Assessed the adequacy of actions and remedial measures taken by Management in resolving the audit issues reported including updates of audit follow up;
6. Reviewed the adequacy of internal audit resources to ensure audits were carried out effectively;
7. 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;
8. Reviewed and deliberated the results of the Quality Self-Assessment. This is a self-assessment performed by the Head of Internal Audit, based on the International Professional Practices Framework ("IPPF") Standards issued by the Institute of Internal Auditors ("IIA"); and
9. Held a private session with the Head of Internal Audit in February and November 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 judgment exercised with emphasis on accounting estimates, 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 2021 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 2021. Reviewed and discussed the Management letter for improvement arising from the review;
3. Reviewed the audit plan for the financial year ending 31 December 2021 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 before the commencement of their annual audit;
4. Reviewed and discussed the key audit and accounting matters highlighted by the external auditors including any internal control matters and recommendations made by them on their evaluation of the system of internal control and the Management's comments;
5. 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. Based on this evaluation, the Committee is satisfied with the external auditors' performance and their audit independence;
6. Reviewed the annual audited financial statements of the Company and the Group before submission to the Board for approval; and
7. Held two private sessions with the external auditors in February and August 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
Reviewed and discussed reports of whistleblowing cases and investigations that were carried out during the year.

Risk Management and Internal Control
1. Reviewed the Statement on Risk Management and Internal Control required by 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 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, reasonable and on normal commercial terms, and not to the detriment of the interests of the minority shareholders of the Company; and
2. Reviewed the Circular to Shareholders concerning the proposed renewal of existing shareholders' mandate for recurrent related party transactions and recommended the same to the Board of Directors for approval.

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.

The GIAD currently has a total manpower of 12 staff including the Head of Internal Audit and all of them are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments. The Head of Internal Audit reports directly to the Committee and administratively to the Group Managing Director.

The GIAD assists the Committee to discharge its duties and responsibilities to provide reasonable assurance on the adequacy and effectiveness of the system of risk management and internal control by conducting an independent, objective, and systematic review of the internal control processes to address risks identified and ensure that established policies and procedures, applicable laws and regulations are complied with. GIAD has unfettered access to the Board of Directors, Audit Committee and Management, as well as the authority to seek information and explanations, to conduct its audit.

A risk-based audit plan for the year 2021 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, safeguarding of assets as well as governance processes.

AUDIT COMMITTEE **REPORT**

During the FY2021, the GIAD conducted audits for the various business divisions and support functions. Key areas covered were:

Property

- Sales & marketing
- Billing, collection and credit control procedures
- Planning & development
- Project implementation and management
- Financial operations
- Property investment operations

Construction

- Project implementation and management
- Finance operations
- Store yard management
- Contract administration

Financial services

- Operation audit covering regulatory compliance, finance, system, loan processing and loan maintenance

Industries

- Factory operations covering production, security, health and safety
- Sales and marketing
- Billing, collection and credit control
- Purchasing, payment and inventory management
- Oil palm plantation operations

Hospitality

- Verification of renovation and refurbishment works for the hotel

Support functions

- IT assets management
- Review of compliance with the Anti- Bribery & Anti-Corruption Handbook
- Related Party and Recurrent Related Party Transactions monitoring, reporting, and disclosure.

Other than the planned assignments that were included in the audit plan, GIAD also conducted ad-hoc reviews as and when required or when a significant change in risk had been identified. All reports issued for such engagements were communicated to relevant members of the Management and Committee. The emphasis to the GIAD has been to stay flexible and responsive during the current circumstances.

The GIAD submitted audit reports to the Committee members for their review and these were discussed at the quarterly Committee meetings with a summary report tabled by the Head of Group Internal Audit with his opinion provided on the adequacy and effectiveness of the systems of risk management and internal control noted on the audits conducted. At the Committee meetings, the Head of Group Internal Audit highlighted any significant weaknesses reported, root causes for them, corrective measures taken by the Management, the status of the internal audit plan and other administrative matters including staffing and training.

The Head of Group Internal Audit also provided 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. The Committee monitored and reviewed 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 of internal controls, the role of internal audit, and fraud policy. The staff of the GIAD also attended various in-house and external training covering various areas for their self-development and knowledge enhancement.

The total payroll and related costs incurred for the internal audit function of the Group for the FY2021 amounted to RM1,944,787.93. 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 and Remuneration Committee reviewed the results of such assessments. For the FY2021, the Board is satisfied that the Committee has discharged its duties and responsibilities in accordance with the TOR 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 2021. 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.

As outlined in the Malaysian Code on Corporate Governance, the objective of establishing a sound risk management framework and an adequate and effective system of internal control is to build a strong governance culture and to safeguard shareholders' investment.

The adequacy and effectiveness of internal controls were reviewed by the Audit Committee (AC) in relation to the audits conducted by Internal Audit (IA) during the year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated on during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

THE BOARD'S RESPONSIBILITY

The Board is committed to ensure the effectiveness of the Group's risk management and internal control systems by continuously reviewing its adequacy of controls and integrity. 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 objectives and that the systems in place can provide only reasonable but not absolute assurance.

To ensure the integration of effective governance structures and processes, the Board has set up a Risk Management Committee ("RMC") which composes independent directors in majority to oversee the Group's risk management strategies, framework, policies and procedures. The RMC assists the Board in the implementation and monitoring of policies and procedures on risk management and internal control ensuring they are operating adequately and effectively to mitigate and reduce the Group's risk exposure.

RISK MANAGEMENT'S ROLE

The Group's risk management function is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines to embed Enterprise Risk Management ("ERM") into the 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 risk appetite of the Group.

OSK GROUP RISK GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The Board affirms its responsibility for maintaining a sound risk management framework and internal control system.

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, Chief Financial Officer, Director of Strategy and Group Risk Management of the Group to ensure the risk management and internal controls are in place, adequate and effective.

THREE LINES MODEL

1 FIRST LINE ROLES	2 SECOND LINE ROLES	3 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Management is responsible to assist the Board through the risk management framework implementing adequate systems and processes controls. 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.

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 assessing, identifying and mitigating all major risks of the Group.

On a quarterly basis at the respective business division management committee meetings, risk profiles with 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. New critical risks will be escalated to the Board for deliberation as the need arises.

RISK MONITORING & REPORTING

The Group determines risks based on the assessment of the operating environment 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 controlled.

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 profiles 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 risk profiles quarterly. Significant issues arising from changes in business environment are reviewed to ensure minimal impact to the Group. GRM and the respective Chief Executive Officers of the Business Units are accountable for the effectiveness of the implementation of the risk management framework as well as facilitating risk management structure, processes and systems to support risk assessment and mitigation 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	• Risk of increase in cost of business due to high commodities prices of production material. • Risk of disruption to the labour supply of construction and manufacturing sectors.	• To ensure minimum disruption, careful planning of procurement schedule and work closely with vendor/suppliers/contractor to have solutions that minimize disruption. • Businesses across the Group continue to strive for internal efficiencies of operation.
Covid-19 Risk	• Ongoing health risk to our OSK community, customers and various stakeholders.	• Encourage OSK community to take up the National Covid-19 Immunisation Program. • 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 for the safety of the employees by requiring regular self-test by all employees.
Business Continuity and Resiliencies Risks	• Disruption cause by natural disaster such as flood. • Risk of potential disruption caused by cybersecurity threats.	• Ensure appropriate response and recovery plans are in place based on the group's Business Continuity Plan. • In terms of cybersecurity, the group continuously create, provide awareness and educate the employees while Information Technology provide security controls to identify, protect, response and recover from potential threats.

STATEMENT ON RISK MANAGEMENT **AND 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.

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.

Assurance

Internal and External 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.

INTERNAL AUDIT'S ROLE

Internal audit 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 actions have been taken by Management to correct the deficiencies and improve control processes highlighted.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

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 ventures and associated companies 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
The Group sets objectives and that the objectives support day to day operations and align with the Group's mission.

Risk Strategy
The Group's pursue strategic objectives in the right direction with prudent risk management.

Risk Culture
The Group continues to provide risk management education and trainings and influence the employees to embrace good risk practices in workplace.

Governance
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 practises. 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
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.

Guide
Provide guiding risk management principles to management to govern the actions of risk identification and assessment.

Monitor
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.

Implement
Provide Management with a summary of key risk profiles that may affect the respective Business Divisions and to ensure these risks are adequately mitigated.

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 core responses as follows:

RISK TREATMENT STRATEGIES

1 AVOID

Risk exposure shall be rejected entirely, as the potential return does not commensurate with the downside exposure.

2 RETAIN

Risk exposure shall be accepted. The potential return is viewed as desirable and the downside exposure shall be mitigated with strong internal controls.

3 REDUCE

Risk exposure shall be reduced through new or enhanced mitigation

4 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).

5 EXPLOIT

A calculated and well-planned strategy to increase the risk exposure with mitigation plan with anticipation of upside return

The Group identified risk areas and subsequently implement correspondent mitigating controls. Risk profiles are categorized into 3 characteristic, namely strategic, operational and financial risks. In terms of Strategic Risk, the Group reviews its annual business objectives, market positioning and long terms growth sustainability. On Operational Risk, the respective business divisions look into project planning, supervisory reviews of daily operation, product quality control and regulatory compliances. While, Financial risks include review on credit risk, liquidity risk and market risk.

The quarterly risk profiles 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 to risk profiles and to ensure all Key Risk Indicators (KRIs) are being monitored, managed and controlled.

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. In assisting to inculcate a desirable risk culture, the RMC and management is responsible to ensure that an effective communication strategy 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 2021 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)	234,297

Notes:

The following disclosure is extracted from the Circular to Shareholders dated 23 March 2021:

(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 subsidiaries 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 2021, or if not then subsisting, entered into since the end of the previous financial year.

OUR **FINANCIALS**

Notes to the Financial Statements are grouped into 6 sections as follow:

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 applicable approved 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 2021, 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 2021.

(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 3.3 and 3.4 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	398,227	181,595
Non-controlling interests	3,602	-
	401,829	181,595

Business and operations review

Business and operations review of the Group is disclosed in the Chairman's Statement and Group Managing Director's Management Discussion and Analysis sections on pages 4 to 8 and 26 to 79, respectively, in this Annual Report.

Dividends

			RM'000
(a)	Dividends declared and paid by the Company since the end of the previous year:		
	(i)	A single-tier final dividend of 3.0 sen per ordinary share in respect of the preceding year ended 31 December 2020 was paid on 11 May 2021	61,863
	(ii)	A single-tier interim dividend of 1.0 sen per ordinary share in respect of the current year ended 31 December 2021 was paid on 30 September 2021	20,621
			82,484
(b)	Proposed dividend:		
	-	A single-tier final dividend of 4.0 sen per ordinary share in respect of the current year ended 31 December 2021, subject to Shareholders' approval at the forthcoming Annual General Meeting	82,484

Further details of dividends are disclosed in Note 1.5 to the financial statements.

(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 3.3(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

There were no issuances of shares and debentures during the year.

The details of the shares and warrants are disclosed in Note 3.22 to the financial statements.

Options to take up unissued shares of the Company

No options were granted to any person to take up unissued shares of the Company during the year.

Treasury shares

The Company did not purchase any ordinary shares from the open market during the year.

The details of the treasury shares are disclosed in Note 3.23 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 in respect of capital financing, trade receivables and other assets, as disclosed in Notes 3.9, 3.10 and 3.11 to the financial statements respectively.

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.

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 in respect of inventories and contract assets as disclosed in Notes 3.7 and 3.13 to the financial statements respectively.

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.

(B) FINANCIAL MATTERS (CONT'D)

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 included investment properties, derivative asset/liability, biological assets, securities at fair value through profit or loss and short-term funds are disclosed in Notes 3.2, 3.12, 3.14, 3.16 and 3.17 to the financial statements respectively.

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 1.2(d) 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.

(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	
Leong Keng Yuen	
Ong Yee Ching*	
Datin Azalina binti Adham	- appointed on 1 July 2021
Wong Wen Miin	- appointed on 1 July 2021
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	- resigned on 30 June 2021

* 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	
Wang Choon Hui	
Tio Jun Lim	- appointed on 20 January 2021
Goh Hao Kwang Dennis	- appointed on 14 April 2021
Vincent Ha Kwang Yuen	- appointed on 14 April 2021
Woon Chong Boon	- appointed on 2 June 2021
Chew Cheng Leong	- appointed on 21 July 2021
Dato' Shun Leong Kwong	- appointed on 25 March 2021 and resigned on 8 December 2021
Tan Ming Tek	- resigned on 2 June 2021

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.

(C) DIRECTORS MATTERS (CONT'D)

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.

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 of the Company and of its related corporations during the year are as follows:

(a) The Company

	Number of ordinary shares			
	As at 1.1.2021	Acquired	Disposed	As at 31.12.2021
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	12,897,189	-	-	12,897,189
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1,007,612,434[1]	-	-	1,007,612,434[1]
Ong Ju Yan	2,667,701[2]	-	-	2,667,701[2]
Ong Ju Xing	1,541,600[3]	-	(615,000)	926,600[2]
Leong Keng Yuen	221,869[4]	-	-	221,869[4]
Ong Yee Ching	288,281[2]	-	-	288,281[2]

(b) Related corporations

(i) Ultimate holding company, OSK Equity Holdings Sdn. Bhd.

	Number of ordinary shares			
	As at 1.1.2021	Acquired	Disposed	As at 31.12.2021
Direct interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	99,999	-	-	99,999

(C) DIRECTORS MATTERS (CONT'D)

Directors' interests (Cont'd)

(b) Related corporations (Cont'd)

(ii) Subsidiaries

(1) PJ Development Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2021	Acquired	Disposed	As at 31.12.2021
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	510,117,793[5]	1,000	-	510,118,793[5]

(2) OSK Property Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2021	Acquired	Disposed	As at 31.12.2021
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	345,639,965[5]	-	-	345,639,965[5]

[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 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 as disclosed above, the other Directors in office at the end of the year did not hold any shares 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 4.3(b) and 4.3(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 4.3(d) and 4.3(e) to the financial statements.

(C) DIRECTORS MATTERS (CONT'D)

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 details of auditors' remuneration are disclosed in Note 2.4 to the financial statements.

(E) STRUCTURE OF THE GROUP

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.

Subsidiaries

The details of subsidiaries are disclosed in Note 3.3 to the financial statements.

For the year ended 31 December 2021, 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 4 March 2022.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Ong Ju Yan

Kuala Lumpur, Malaysia
4 March 2022

OSK

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 155 to 332 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 2021 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 4 March 2022.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Ong Ju Yan

Kuala Lumpur, Malaysia
4 March 2022

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 155 to 332 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 4 March 2022

Ng Lai Ping

Before me,

PESURUHJAYA SUMPAH
W 729
MARDHIYYAH
ABDUL WAHAB
1 JAN 2021-31 DIS 2023
MALAYSIA

Commissioner for Oaths
Kuala Lumpur, Malaysia
4 March 2022

SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

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 2021 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 155 to 332.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the 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 2.1 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 percentage of completion method. The determination of percentage of completion requires management to exercise significant judgement in estimating the total costs to complete.

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)

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.

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) verified development costs incurred during the financial year to supporting documentation;

(c) assessed estimated total costs to complete through enquiries with operational and financial personnel of the Group in relation to variations and claims and verified documentation to support the cost estimates including variation orders and cost contingencies;

(d) recomputed the percentage of completion 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 amounts of property, plant and equipment and right-of-use assets

As at 31 December 2021, the carrying amounts of property, plant and equipment and right-of-use assets of the Group amounted to RM564.3 million and RM62.3 million respectively as disclosed in Notes 3.1 and 3.6 to the financial statements.

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.

Key Audit Matters (Cont'd)

Key Audit Matters for the Group (Cont'd)

2. Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets (Cont'd)

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.

3. Recoverability of trade receivables

As at 31 December 2021, the net carrying amount of trade receivables of the Group was RM235.8 million as disclosed in Note 3.10 to the financial statements.

The Group has impaired trade receivables of RM15.0 million as at 31 December 2021.

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) tested the accuracy of trade receivables' ageing;

(c) assessed the expected credit loss ("ECL") for portfolios of trade receivables based on customer segments, historical information on payment trend and forward-looking information;

(d) 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;

(e) 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;

OSK

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 (Cont'd)

Audit procedures (Cont'd)

Our audit procedures included the following: (Cont'd)

(f) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and

(g) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

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.

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 3.3 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
02893/08/2023 J
Chartered Accountant

Kuala Lumpur
4 March 2022

STATEMENTS OF **PROFIT OR LOSS** FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		2021	2020 (Restated)	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	2.1	**1,126,101**	1,085,511	**217,315**	238,938
Cost of sales	2.2	**(759,461)**	(678,724)	**-**	-
Gross profit		**366,640**	406,787	**217,315**	238,938
Other income	2.3	**29,302**	44,391	**14,485**	15,563
Administrative expenses	2.4	**(163,944)**	(172,844)	**(17,924)**	(19,647)
Other expenses	2.5	**(16,628)**	(61,354)	**(7,991)**	(79,120)
		215,370	216,980	**205,885**	155,734
Finance costs	2.6	**(46,156)**	(51,271)	**(24,172)**	(27,297)
		169,214	165,709	**181,713**	128,437
Share of results of associates and a joint venture, net of tax		**295,426**	250,958	**-**	-
Profit before tax		**464,640**	416,667	**181,713**	128,437
Tax expense	2.7	**(62,811)**	(69,173)	**(118)**	(67)
Profit after tax		**401,829**	347,494	**181,595**	128,370
Profit attributable to:					
Owners of the Company		**398,227**	343,704	**181,595**	128,370
Non-controlling interests	3.3(e)	**3,602**	3,790	**-**	-
		401,829	347,494	**181,595**	128,370
Earnings per share attributable to Owners of the Company (sen):					
Basic/Diluted	1.6	**19.31**	16.61		

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Profit after tax	**401,829**	347,494	**181,595**	128,370
Other comprehensive income/(expenses) for the year, net of tax				
Items of other comprehensive income/(expense):				
(a) Will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Fair value gain/(loss) on cash flow hedge*	**2,071**	(3,457)	**-**	-
- *Foreign currency translation (loss)/gain*	**(10,743)**	28,515	**-**	-
(b) Reclassified to profit or loss:				
- *Foreign currency translation upon disposal of a subsidiary [Note 3.3(c)(v)]*	**-**	(2,025)	**-**	-
	(8,672)	23,033	**-**	-
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:				
(a) Items that will not be reclassified subsequently to profit or loss:				
- *Fair values through other comprehensive income ("FVTOCI") and other reserves*	**3,224**	6,339	**-**	-
(b) Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
- *Foreign currency translation reserves*	**4,450**	(17,269)	**-**	-
- *FVTOCI and other reserves*	**(143,954)**	46,711	**-**	-
	(136,280)	35,781	**-**	-
Total other comprehensive (expenses)/ income for the year, net of tax	**(144,952)**	58,814	**-**	-
Total comprehensive income	**256,877**	406,308	**181,595**	128,370
Total comprehensive income attributable to:				
Owners of the Company	**253,561**	401,795	**181,595**	128,370
Non-controlling interests	**3,316**	4,513	**-**	-
	256,877	406,308	**181,595**	128,370

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

STATEMENTS OF **FINANCIAL POSITION** AS AT 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 (Restated) RM'000	Group 1.1.2020 (Restated) RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS:						
Non-current						
Property, plant and equipment	3.1	**564,251**	577,152	605,518	**690**	884
Investment properties	3.2	**476,318**	456,303	464,780	**-**	-
Investments in subsidiaries	3.3	**-**	-	-	**1,579,491**	1,582,891
Investments in associates and a joint venture	3.4	**3,919,623**	3,880,828	3,681,201	**2,282,068**	2,209,705
Intangible assets	3.5	**2,579**	1,085	1,205	**237**	265
Right-of-use assets	3.6	**62,258**	76,715	78,886	**2,864**	3,211
Inventories	3.7	**1,514,701**	1,355,068	1,198,764	**-**	-
Deferred tax assets	3.8	**69,568**	67,209	94,323	**748**	707
Capital financing	3.9	**291,657**	247,978	182,629	**-**	-
Trade receivables	3.10	**22,926**	8,945	26,080	**-**	-
Other assets	3.11	**2,428**	1,420	882	**-**	-
Derivative asset	3.12	**1,926**	-	-	**-**	-
		6,928,235	6,672,703	6,334,268	**3,866,098**	3,797,663
Current						
Inventories	3.7	**322,817**	255,588	352,832	**-**	-
Capital financing	3.9	**688,127**	574,940	594,557	**-**	-
Trade receivables	3.10	**212,909**	210,699	254,533	**-**	-
Other assets	3.11	**26,788**	88,996	79,238	**591**	42,177
Contract assets	3.13	**185,621**	163,958	129,742	**-**	-
Biological assets	3.14	**524**	54	251	**-**	-
Amounts due from subsidiaries	3.15	**-**	-	-	**147**	-
Tax recoverable		**18,972**	15,420	12,038	**1,138**	1,093
Securities at fair value through profit or loss ("FVTPL")	3.16	**227**	225	264	**227**	225
Cash, bank balances and short-term funds	3.17	**831,733**	662,702	585,844	**67,944**	11,086
		2,287,718	1,972,582	2,009,299	**70,047**	54,581
Assets of disposal group classified as held for sale		**-**	-	21,998	**-**	-
		2,287,718	1,972,582	2,031,297	**70,047**	54,581
TOTAL ASSETS		**9,215,953**	8,645,285	8,365,565	**3,936,145**	3,852,244

STATEMENTS OF **FINANCIAL POSITION**
AS AT 31 DECEMBER 2021

		Group			Company	
	Note	2021 RM'000	2020 (Restated) RM'000	1.1.2020 (Restated) RM'000	2021 RM'000	2020 RM'000
LIABILITIES:						
Non-current						
Borrowings	3.18	**1,870,380**	1,504,241	1,393,437	**-**	191,270
Trade payables	3.19	**16,748**	16,390	17,543	**-**	-
Other liabilities	3.20	**30,467**	49,330	6,469	**-**	-
Contract liabilities and deferred income	3.21	**86,906**	93,963	107,131	**-**	-
Lease liabilities	3.6	**1,210**	13,719	20,801	**1,144**	1,652
Derivative liability	3.12	**-**	6,013	-	**-**	-
Deferred tax liabilities	3.8	**99,236**	109,014	115,546	**-**	-
		2,104,947	1,792,670	1,660,927	**1,144**	192,922
Current						
Borrowings	3.18	**880,737**	892,756	985,095	**40,000**	40,000
Trade payables	3.19	**76,371**	86,348	80,079	**-**	-
Other liabilities	3.20	**559,117**	445,136	514,126	**3,991**	4,151
Contract liabilities and deferred income	3.21	**23,520**	30,778	33,516	**-**	-
Lease liabilities	3.6	**13,302**	14,879	8,894	**1,770**	1,619
Tax payable		**18,116**	16,300	11,209	**-**	-
Amounts due to subsidiaries	3.15	**-**	-	-	**589,642**	413,065
		1,571,163	1,486,197	1,632,919	**635,403**	458,835
Liabilities of disposal group classified as held for sale		**-**	-	10,135	**-**	-
		1,571,163	1,486,197	1,643,054	**635,403**	458,835
TOTAL LIABILITIES		**3,676,110**	3,278,867	3,303,981	**636,547**	651,757
NET ASSETS		**5,539,843**	5,366,418	5,061,584	**3,299,598**	3,200,487
EQUITY:						
Share capital	3.22	**2,095,311**	2,095,311	2,095,310	**2,095,311**	2,095,311
Treasury shares, at cost	3.23	**(43,226)**	(43,226)	(35,636)	**(43,226)**	(43,226)
		2,052,085	2,052,085	2,059,674	**2,052,085**	2,052,085
Reserves	3.24	**3,415,955**	3,244,903	2,927,996	**1,247,513**	1,148,402
Issued capital and reserves attributable to Owners of the Company		**5,468,040**	5,296,988	4,987,670	**3,299,598**	3,200,487
Non-controlling interests	3.3(e)	**71,803**	69,430	73,914	**-**	-
TOTAL EQUITY		**5,539,843**	5,366,418	5,061,584	**3,299,598**	3,200,487

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

STATEMENTS OF **CHANGES IN EQUITY** FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Note	Attributable to Owners of the Company									
		Share capital (Note 3.22) RM'000	Treasury shares (Note 3.23) RM'000	Revaluation reserve (Note 3.24) RM'000	Foreign currency translation reserves (Note 3.24) RM'000	Hedging reserve (Note 3.24) RM'000	Other reserves (Note 3.24) RM'000	Retained profits (Note 3.24) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 3.3(e)] RM'000	Total equity RM'000
As at 1 January 2021											
As per previously reported		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	2,997,781	5,294,419	69,386	5,363,805
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	6.1(a)(ii)	-	-	-	-	-	-	2,569	2,569	44	2,613
As restated		2,095,311	(43,226)	63,451	19,704	(3,457)	164,855	3,000,350	5,296,988	69,430	5,366,418
Profit after tax		-	-	-	-	-	-	398,227	398,227	3,602	401,829
Fair value gain on cash flow hedge		-	-	-	-	2,071	-	-	2,071	-	2,071
Foreign currency translation loss		-	-	-	(10,452)	-	-	-	(10,452)	(291)	(10,743)
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method:											
- *Foreign currency translation reserves*		-	-	-	4,450	-	-	-	4,450	-	4,450
- *FVTOCI and other reserves*		-	-	-	-	-	(140,735)	-	(140,735)	5	(140,730)
Other comprehensive (expenses)/income		-	-	-	(6,002)	2,071	(140,735)	-	(144,666)	(286)	(144,952)
Total comprehensive (expenses)/income		-	-	-	(6,002)	2,071	(140,735)	398,227	253,561	3,316	256,877
Dividends paid to:											
- *Owners of the Company*	1.5	-	-	-	-	-	-	(82,484)	(82,484)	-	(82,484)
- *Non-controlling interests*		-	-	-	-	-	-	-	-	(2,929)	(2,929)
Total distributions to Owners		-	-	-	-	-	-	(82,484)	(82,484)	(2,929)	(85,413)
Acquisition of additional interests in subsidiaries from non-controlling interests:											
- *Accretion of equity interests*	3.3(b)(ii),(iv),(viii)	-	-	-	-	-	-	-	-	(4)	(4)
- *Loss on acquisitions*	3.3(b)(ii),(iv),(viii)	-	-	-	-	-	-	(25)	(25)	-	(25)
Issuance of ordinary shares by subsidiaries to non-controlling interests	3.3(b)(i),(iv)	-	-	-	-	-	-	-	-	1,990	1,990
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	(25)	(25)	1,986	1,961
Total transactions with Owners in their capacity as Owners		-	-	-	-	-	-	(82,509)	(82,509)	(943)	(83,452)
As at 31 December 2021		2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,316,068	5,468,040	71,803	5,539,843

STATEMENTS OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group (Cont'd)		Attributable to Owners of the Company									
	Note	Share capital (Note 3.22) RM'000	Treasury shares (Note 3.23) RM'000	Revaluation reserve (Note 3.24) RM'000	Foreign currency translation reserves (Note 3.24) RM'000	Hedging reserve (Note 3.24) RM'000	Other reserves (Note 3.24) RM'000	Retained profits (Note 3.24) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 3.3(e)] RM'000	Total equity RM'000
As at 1 January 2020											
As per previously reported		2,095,310	(35,636)	63,451	11,221	-	111,790	2,743,327	4,989,463	73,986	5,063,449
Adoption of IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23 Borrowing Costs)	6.1(a)(ii)	-	-	-	-	-	-	(1,793)	(1,793)	(72)	(1,865)
As restated		2,095,310	(35,636)	63,451	11,221	-	111,790	2,741,534	4,987,670	73,914	5,061,584
Profit after tax		-	-	-	-	-	-	343,704	343,704	3,790	347,494
Fair value loss on cash flow hedge		-	-	-	-	(3,457)	-	-	(3,457)	-	(3,457)
Foreign currency translation gain		-	-	-	27,716	-	-	-	27,716	799	28,515
Foreign currency translation reclassified to profit or loss upon disposal of a subsidiary	3.3(c)(v)	-	-	-	(1,964)	-	-	-	(1,964)	(61)	(2,025)
Share of other comprehensive (expenses)/ income and reserves of associates accounted for using equity method:											
- *Foreign currency translation reserves*		-	-	-	(17,269)	-	-	-	(17,269)	-	(17,269)
- *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	343,704	401,795	4,513	406,308
Dividends paid to:											
- *Owners of the Company*	1.5	-	-	-	-	-	-	(82,833)	(82,833)	-	(82,833)
- *Non-controlling interests*		-	-	-	-	-	-	-	-	(2,220)	(2,220)
Issuance of shares pursuant to exercise of Warrants C 2015/2020	3.22	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 2021

Group (Cont'd)	Note	Attributable to Owners of the Company									
		Share capital (Note 3.22) RM'000	Treasury shares (Note 3.23) RM'000	Revaluation reserve (Note 3.24) RM'000	Foreign currency translation reserves (Note 3.24) RM'000	Hedging reserve (Note 3.24) RM'000	Other reserves (Note 3.24) RM'000	Retained profits (Note 3.24) RM'000	Total issued share capital and reserves RM'000	Non-controlling interests [Note 3.3(e)] RM'000	Total equity RM'000
Acquisition of additional interests in subsidiaries from non-controlling interests:											
- *Accretion of equity interests*	3.3(c)(i),(iii)	-	-	-	-	-	-	-	-	(4,432)	(4,432)
- *Gain on acquisitions*	3.3(c)(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*	3.3(c)(ii)	-	-	-	-	-	-	-	-	144	144
- *Effects of dilution of interests in a subsidiary*	3.3(c)(ii)	-	-	-	-	-	-	(242)	(242)	242	-
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	(2,055)	(2,055)	(6,777)	(8,832)
Share buybacks by the Company	3.23	-	(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	3,000,350	5,296,988	69,430	5,366,418

STATEMENTS OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Note	Share capital (Note 3.22) RM'000	Distributable Treasury shares (Note 3.23) RM'000	Distributable Retained profits (Note 3.24) RM'000	Total equity RM'000
As at 1 January 2021		**2,095,311**	**(43,226)**	**1,148,402**	**3,200,487**
Profit after tax/Total comprehensive income		**-**	**-**	**181,595**	**181,595**
Dividends paid to Owners of the Company	1.5	**-**	**-**	**(82,484)**	**(82,484)**
As at 31 December 2021		**2,095,311**	**(43,226)**	**1,247,513**	**3,299,598**
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	1.5	-	-	(82,833)	(82,833)
Issuance of shares pursuant to exercise of Warrants C 2015/2020	3.22	1	-	-	1
Total contribution by/(distributions to) Owners		1	-	(82,833)	(82,832)
Share buybacks/Total transactions with Owners	3.23	-	(7,590)	-	(7,590)
As at 31 December 2020		2,095,311	(43,226)	1,148,402	3,200,487

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

STATEMENTS OF **CASH FLOWS** FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**464,640**	416,667	**181,713**	128,437
Adjustments for:				
Non-cash and non-operating items#	**21,056**	77,241	**(184,107)**	(130,787)
Share of results of associates and a joint venture	**(295,426)**	(250,958)	**-**	-
Operating profit/(loss) before changes in working capital	**190,270**	242,950	**(2,394)**	(2,350)
Decrease/(Increase) in:				
Inventories	**21,388**	104,322	**-**	-
Capital financing	**(158,092)**	(45,732)	**-**	-
Trade receivables	**(15,418)**	54,580	**-**	-
Other assets	**38,638**	15,296	**969**	(599)
Contract assets	**(21,663)**	(34,216)	**-**	-
(Decrease)/Increase in:				
Trade payables	**(9,595)**	3,212	**-**	-
Other liabilities	**90,668**	(61,435)	**(160)**	(1,828)
Contract liabilities and deferred income	**(14,315)**	(15,906)	**-**	-
Changes in working capital	**(68,389)**	20,121	**809**	(2,427)
Cash from/(used in) operations	**121,881**	263,071	**(1,585)**	(4,777)
Income tax paid	**(77,799)**	(50,772)	**(204)**	(185)
Income tax refunded	**1,115**	3,890	**-**	-
Interest paid	**(47,986)**	(51,605)	**-**	-
Interest/profit received	**87,365**	74,747	**-**	-
Net cash from/(used in) operating activities	**84,576**	239,331	**(1,789)**	(4,962)

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STATEMENTS OF **CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 (Restated) RM'000	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment, divestment and income from investments:					
Acquisitions of additional:					
- shares in subsidiaries from non-controlling interests	3.3(b)(ii),(iv), 3.3(c)(i),(iii)	**(29)**	(2,365)	**(1)**	(2,365)
- warrants in a subsidiary		**-**	(6,611)	**-**	(6,611)
Investment properties expenditure	3.2(c)(i)	**(20,133)**	(16,951)	**-**	-
Funds distribution income received		**8,965**	8,743	**715**	182
Interest received		**3,391**	4,860	**216**	20
Proceeds from disposals of:					
- a subsidiary	3.3(c)(v)	**-**	8,523	**-**	-
- property, plant and equipment		**23,178**	488	**-**	-
Purchase of:					
- land for property development		**(245,047)**	(88,300)	**-**	-
- property, plant and equipment	3.1(b)(i)	**(39,764)**	(17,597)	**(39)**	(97)
- software licences	3.5(b)	**(1,779)**	(151)	**-**	-
Net investment, divestment and income from investments		**(271,218)**	(109,361)	**891**	(8,871)
Dividends and shares:					
Capital repayment from an associate	3.4(b)(i)	**65,279**	-	**-**	-
Dividends received		**85,263**	75,142	**185,569**	198,321
Advances from subsidiaries		**-**	-	**176,430**	23,644
Subscription of shares in subsidiaries	3.3(d)(i)	**-**	-	**(4,590)**	(18,505)
Net dealings with subsidiaries and associates		**150,542**	75,142	**357,409**	203,460
Net cash (used in)/from investing activities		**(120,676)**	(34,219)	**358,300**	194,589

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Fundings in business:					
Expenses incurred on borrowings		**(5,229)**	(722)	**(508)**	(430)
Drawdowns/(Repayments):					
Proceeds from:					
- issuance of medium term notes and Sukuk	3.18(g)(ii)	**930,000**	300,000	**-**	-
- drawdowns of term and bridging		**26,873**	202,030	**-**	-
Redemptions/Repayments of:					
- medium term notes and Sukuk	3.18(g)(ii)	**(530,756)**	(239,661)	**(191,825)**	(74,381)
- term and bridging		**(74,978)**	(125,453)	**-**	-
- revolving credits - net		**(2,689)**	(116,334)	**-**	-
Net drawdowns/(repayments)	3.18(h)(i)	**348,450**	20,582	**(191,825)**	(74,381)
Interest paid		**(36,454)**	(43,856)	**(23,004)**	(26,379)
Payment of lease liabilities	3.6(c)	**(16,416)**	(15,526)	**(1,832)**	(1,812)
Dividends, share proceeds and share buybacks:					
Dividends paid to:					
- Owners of the Company	1.5	**(82,484)**	(82,833)	**(82,484)**	(82,833)
- non-controlling interests		**(2,929)**	(2,220)	**-**	-
Proceeds from:					
- exercise of warrants of a subsidiary	3.3(c)(ii)	**-**	144	**-**	-
- exercise of warrants of the Company	3.22	**-**	1	**-**	1
- issuance of shares to non-controlling interests		**530**	-	**-**	-
Share buybacks	3.23(b)	**-**	(7,590)	**-**	(7,590)
Net dealing with Owners of the Company		**(84,883)**	(92,498)	**(82,484)**	(90,422)
Net cash from/(used in) financing activities		**205,468**	(132,020)	**(299,653)**	(193,424)
Net increase/(decrease) in cash and cash equivalents		**169,368**	73,092	**56,858**	(3,797)
Effects of exchange rate changes		**(337)**	(434)	**-**	-
Cash and cash equivalents at beginning of the year		**662,702**	590,044	**11,086**	14,883
Cash and cash equivalents at end of the year, comprised cash, bank balances and short-term funds	3.17	**831,733**	662,702	**67,944**	11,086

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
# **Non-cash and non-operating items:**					
Amortisation of finance cost		**880**	502	**555**	373
Allowance for/(Write back of) impairment loss (net) on:					
- capital financing	3.9(b)(i)	**1,226**	-	**-**	-
- trade receivables	3.10(b)(i)	**133**	9,470	**-**	-
- other receivables	3.11(b)(ii)	**(723)**	2,443	**-**	-
- property, plant and equipment	3.1(b)(v)	**97**	18,113	**-**	-
Depreciation and amortisation		**40,223**	40,415	**1,978**	1,936
Dividend income		**-**	-	**(217,315)**	(238,938)
Facilities fee		**3,332**	722	**508**	430
Funds distribution income		**(8,965)**	(8,743)	**(715)**	(182)
Gain on disposals (net) of:					
- a subsidiary	3.3(c)(v)	**-**	(7,657)	**-**	-
- property, plant and equipment		**(55)**	(403)	**-**	-
Interest and profit income		**(90,756)**	(79,607)	**(216)**	(20)
Interest expense		**67,327**	75,614	**23,109**	26,494
(Gain)/Loss on fair valuation of:					
- biological assets	3.14(c)	**(470)**	197	**-**	-
- investment properties	3.2(c)(i)	**118**	28,271	**-**	-
- retention sums		**(1,513)**	(3,173)	**-**	-
- securities at FVTPL		**(2)**	39	**(2)**	39
(Gain)/Loss on foreign currency translations		**(6)**	597	**-**	-
Programmes establishment fee		**820**	-	**-**	-
Rental concession received		**(149)**	(7)	**-**	-
Reversal of gain on fair valuation of financial guarantee	3.3(d)(ii)	**-**	-	**7,991**	7,800
Modifications of leases		**-**	1	**-**	-
Write down/(back) of inventories:					
- completed properties held for sale		**-**	936	**-**	-
- finished goods		**2,931**	(657)	**-**	-
- raw materials		**297**	23	**-**	-
- work-in-progress		**1,805**	-	**-**	-
Write off of:					
- trade receivables		**38**	6	**-**	-
- other receivables		**30**	83	**-**	-
- expired derivative asset		**-**	-	**-**	71,281
- inventories		**50**	-	**-**	-
- plant and equipment	3.1(b)(iv)	**4,388**	56	**-**	-
		21,056	77,241	**(184,107)**	(130,787)

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

NOTES TO THE **FINANCIAL STATEMENTS** 31 DECEMBER 2021

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT

This section provides corporate information, basis of preparation of these financial statements, business segment analysis, and capital and financial risks management.

1.1 CORPORATE INFORMATION AND AUTHORISATION FOR USE

The Company is a public company limited by shares, incorporated under the 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 on pages 20 to 23 of this Annual Report.

The Company is an investment holding company. The principal activities of the subsidiaries; and associates and a joint venture are described in Notes 3.3 and 3.4 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 4 March 2022.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

This note provides overall basis of preparation that useful and relevant in understanding these financial statements.

(a) Accounting convention

These financial statements have been prepared on a historical cost convention, other than investment properties, biological assets, derivative asset, securities measured at fair value through profit or loss and short-term funds which are measured at their fair values. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The Group and the Company have prepared the financial statements on the basis that it will continue to operate as a going concern.

(b) Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of CA2016 in Malaysia. The notes to the financial statements have been prepared and organised according to their nature into sections for users to make it easier to identify and comprehend the relevant information. In addition, the significant accounting policies, judgements, key estimates and assumptions have also been placed together in the same note as the related qualitative and quantitative disclosures, to provide a more holistic discussion to users of these financial statements. 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. During the year, the Group and the Company have adopted amendments to MFRSs as disclosed in Note 6.1. Standards, amendments to published standards and interpretations to existing MFRSs issued by the MASB that are applicable to the Group and the Company but not yet effective for the current year are disclosed in Note 6.2.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at the end of the year. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies. All intragroup balances and transactions are eliminated on consolidation.

Changes in the Group's equity interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in the statement of changes in equity and attributed to the Owners of the Company.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any gain or loss is recognised in the statement of profit or loss. Any investment retained in the subsidiary is measured at fair value at the date when control is lost.

The non-controlling interests are equity in a subsidiary not attributable, directly or indirectly, to the Group. The non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests are initially measured at either fair value or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets. Subsequently, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(d) Impact of COVID-19 pandemic on basis for preparation of financial statements

These financial statements are the second annual reporting period impacted by the COVID-19 pandemic. The economic and financial impacts are continuing to evolve and further changes to the estimates to be made to the measurement of the Group's and the Company's assets and liabilities may still be necessary. In 2021, the Group's operations are mainly based in Malaysia and Australia, which have been affected by the spread of COVID-19 despite some relaxation of movement control restriction in the last quarter of 2021. All segments of the Group were affected by the pandemic especially in the Hospitality Segment which has been adversely impacted the tourism, meeting and convention activities. However, the reopening of inter-district and inter-state travels since October 2021 has led to higher room occupancy for all our operating hotels, thus reducing substantially its pre-tax losses as compared to a year ago.

The impact of the pandemic on the Group's financial performance reflected in the financial statements for the year ended 31 December 2021 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 the various stages of movement control order implementation period in 2021, 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 trading volume in 2021. The cable division experienced temporary closure of its factory due to the COVID-19 infections in the third quarter 2021 which has resulted in disruption of sales and delivery activities resulting in a drop in revenue.

(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 3.6(c), while the effects of the rental concession provided to the tenants were set-off against rental income as disclosed in Note 2.1.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(d) Impact of COVID-19 pandemic on basis for preparation of financial statements (Cont'd)

The impact of the pandemic on the Group's financial performance reflected in the financial statements for the year ended 31 December 2021 are summarised below: (Cont'd)

(iv) The Group has considered the market conditions (including the impact of the pandemic) as at 31 December 2021, in making estimates and judgements on the recoverability of assets including property, plant and equipment, investment properties, right-of-use assets, trade receivables and other assets as disclosed in Notes 3.1(b)(v), 3.2(c)(i), 3.6(a)(i), 3.10(a)(iv) and 3.11(a) respectively.

For the year ending 31 December 2022, 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.

1.3 SEGMENT INFORMATION

This note provides performance analysis by business and geographical segments.

For management purposes, the Group's businesses are organised into five core reportable business segments, based on the nature of the products and services. The executive committee is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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 in Malaysia and Australia.

(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 divided into three major categories, namely (i) low voltage power cables, (ii) medium voltage power cables and (iii) fire-resistant power cables.

(ii) Acotec - Industrialised Building System ("IBS")
- Manufacturing and sale of IBS concrete wall panels.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

The five core business segments are described as follows: (Cont'd)

(4) Hospitality

(i) Hotels and Resorts
- 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.

(5) Financial Services & Investment Holding

(i) Capital Financing
- Capital financing activities include generating interest, fee and related income on loans and financing portfolio in Malaysia and Australia.
- Islamic financing activities include generating profit and fee income on Islamic financing portfolio in Malaysia.

(ii) Investment Holding and Others
- Investing activities and other insignificant business segments including sale of oil palm fresh fruit bunches, interior design, trading of building materials and investments which contribute dividend income and interest income as well as sharing of results of an associate which is engaged in financial services business.

Inter-segment revenues are eliminated upon consolidation.

Business segment revenue and results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis. 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 that makes up ten percent or more of the Group's revenue.

Basis of segmentation and related measurement of segment revenue, results, assets and liabilities were not materially changed as compared with previous year.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis:

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
2021						
Revenue						
Total revenue	746,001	101,524	205,286	37,079	526,571	1,616,461
Inter-segment revenue	(4,769)	(100,198)	-	(120)	(53,277)	(158,364)
Dividends from:						
- subsidiaries	-	-	-	-	(214,987)	(214,987)
- associates	(24,000)	-	-	-	(93,009)	(117,009)
Revenue from external parties	717,232	1,326	205,286	36,959	165,298	1,126,101
Results						
Segment profit/(loss)	137,309	74	8,575	(20,503)	43,223	168,678
Share of results of associates and a joint venture	40,400	-	-	-	255,026	295,426
	177,709	74	8,575	(20,503)	298,249	464,104
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	1,671	-	-	(1,135)	536
Profit/(Loss) before tax	177,709	1,745	8,575	(20,503)	297,114	464,640
Tax expense	(41,615)	(235)	(2,084)	(581)	(18,296)	(62,811)
Profit/(Loss) after tax	136,094	1,510	6,491	(21,084)	278,818	401,829

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2021

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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
2020 (Restated)						
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)	152,944	1,341	17,961	(40,682)	36,131	167,695
Share of results of associates and a joint venture	54,664	-	-	-	196,294	250,958
	207,608	1,341	17,961	(40,682)	232,425	418,653
Realisation of profit upon completion of sale/(Elimination of unrealised profit)	-	36	-	-	(2,022)	(1,986)
Profit/(Loss) before tax	207,608	1,377	17,961	(40,682)	230,403	416,667
Tax (expense)/income	(50,875)	635	(2,390)	(401)	(16,142)	(69,173)
Profit/(Loss) after tax	156,733	2,012	15,571	(41,083)	214,261	347,494

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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
2021						
Revenue (Note 2.1)						
Interest income	-	-	-	-	87,267	87,267
Profit income	-	-	-	-	98	98
Cost of Sales (Note 2.2)						
Depreciation and amortisation	(7)	-	(5,063)	-	-	(5,070)
Funding costs	-	-	-	-	(26,202)	(26,202)
Write down of inventories:						
- finished goods	-	-	(2,931)	-	-	(2,931)
- raw materials	-	-	(297)	-	-	(297)
- work-in-progress	-	-	(1,805)	-	-	(1,805)
Other Income (Note 2.3)						
Fair valuation gain of:						
- biological assets	-	-	-	-	470	470
- retention sums	1,379	134	-	-	-	1,513
- securities at FVTPL	-	-	-	-	2	2
Foreign currency translations gain	-	-	25	-	-	25
Funds distribution income	3,335	477	-	18	5,135	8,965
Gain on disposals of property, plant and equipment	6	10	-	245	-	261
Gain on redemption of short-term funds	66	-	-	-	11	77
Interest income	2,137	6	73	90	1,085	3,391
Recovery of bad debts of:						
- capital financing	-	-	-	-	214	214
- trade receivables	-	-	3	9	-	12
- other receivables	-	-	-	24	-	24
Rental concession received	-	-	-	149	-	149
Write back of impairment losses on:						
- capital financing	-	-	-	-	162	162
- trade receivables	590	104	3,900	96	-	4,690
- other receivables	770	1	-	-	-	771

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2021

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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
2021 (Cont'd)						
Administrative Expenses (Note 2.4)						
Depreciation and amortisation	(14,592)	(1,279)	(1,207)	(12,816)	(5,259)	(35,153)
Other Expenses (Note 2.5)						
Allowance for impairment losses on:						
- capital financing	-	-	-	-	(1,388)	(1,388)
- trade receivables	(4,139)	-	(669)	(15)	-	(4,823)
- other receivables	(48)	-	-	-	-	(48)
Fair valuation loss of investment property	(118)	-	-	-	-	(118)
Foreign currency translations loss	-	-	-	-	(19)	(19)
Impairment loss on property, plant and equipment	-	-	-	(97)	-	(97)
Loss on disposal of plant and equipment	-	(3)	-	(203)	-	(206)
Write off of:						
- trade receivables	(38)	-	-	-	-	(38)
- other receivables	-	-	-	-	(30)	(30)
- inventories	-	-	-	(50)	-	(50)
- plant and equipment	-	(1)	-	(4,387)	-	(4,388)
Finance Costs (Note 2.6)						
Amortisation of finance cost	-	-	-	-	(880)	(880)
Finance costs	(9,278)	(48)	(357)	(1,768)	(33,825)	(45,276)

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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 (Restated)						
Revenue (Note 2.1)						
Interest income	-	-	-	-	74,747	74,747
Cost of Sales (Note 2.2)						
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 2.3)						
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
Rental concession received	-	-	-	7	-	7
Write back of impairment losses on:						
- trade receivables	1,287	-	-	2	-	1,289
- other receivables	338	67	-	-	-	405

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SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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 (Restated) (Cont'd)						
Administrative Expenses (Note 2.4)						
Depreciation and amortisation	(13,831)	(1,324)	(1,199)	(13,942)	(5,163)	(35,459)
Other Expenses (Note 2.5)						
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 FVTPL	-	-	-	-	(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 2.6)						
Amortisation of finance cost	-	-	-	-	(502)	(502)
Finance costs	(13,517)	(42)	(557)	(3,189)	(33,464)	(50,769)

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segment analysis: (Cont'd)

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
2021							
Assets							
Tangible assets		3,198,239	25,663	201,102	334,692	1,445,515	5,205,211
Intangible assets	3.5	126	-	-	-	2,453	2,579
		3,198,365	25,663	201,102	334,692	1,447,968	5,207,790
Investments in associates and a joint venture	3.4	576,262	-	-	-	3,343,361	3,919,623
Segment assets		3,774,627	25,663	201,102	334,692	4,791,329	9,127,413
Deferred tax assets and tax recoverable		57,040	931	184	22,880	7,505	88,540
Total assets		3,831,667	26,594	201,286	357,572	4,798,834	9,215,953
Liabilities							
Segment liabilities		1,764,780	50,153	37,744	198,251	1,507,830	3,558,758
Deferred tax liabilities and tax payable		91,000	28	8,029	6,224	12,071	117,352
Total liabilities		1,855,780	50,181	45,773	204,475	1,519,901	3,676,110
Expenditure capitalised under:							
Property, plant and equipment	3.1(b)(i)	3,295	263	5,138	30,908	160	39,764
Investment properties	3.2(c)(i)	20,133	-	-	-	-	20,133
Intangible assets	3.5(b)	6	-	-	-	1,773	1,779
		23,434	263	5,138	30,908	1,933	61,676

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 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
2020 (Restated)							
Assets							
Tangible assets		2,879,692	39,466	203,048	345,996	1,212,541	4,680,743
Intangible assets	3.5	236	-	-	-	849	1,085
		2,879,928	39,466	203,048	345,996	1,213,390	4,681,828
Investments in associates and a joint venture	3.4	635,400	-	-	-	3,245,428	3,880,828
Segment assets		3,515,328	39,466	203,048	345,996	4,458,818	8,562,656
Deferred tax assets and tax recoverable		51,761	1,962	38	24,421	4,447	82,629
Total assets		3,567,089	41,428	203,086	370,417	4,463,265	8,645,285
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	3.1(b)(i)	1,612	21	5,696	9,971	297	17,597
Investment properties	3.2(c)(i)	16,951	-	-	-	-	16,951
Intangible assets	3.5(b)	6	-	-	-	145	151
		18,569	21	5,696	9,971	442	34,699

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(b) Geographical segments analysis:

The Group's operations are mainly based in Malaysia which consist of all the five core reportable business segments and in Australia comprises businesses from Property Development, Property Investment and Capital Financing under Financial Services.

	Note	Malaysia RM'000	Australia RM'000	Vietnam RM'000	Consolidated RM'000
2021					
Revenue		**1,124,963**	**1,138**	**-**	**1,126,101**
Profit before tax		**426,334**	**38,306**	**-**	**464,640**
Non-current assets ^		**2,619,005**	**1,102**	**-**	**2,620,107**
Expenditure capitalised under:					
Property, plant and equipment	3.1(b)(i)	**39,754**	**10**	**-**	**39,764**
Investment properties	3.2(c)(i)	**20,133**	**-**	**-**	**20,133**
Intangible assets	3.5(b)	**1,512**	**267**	**-**	**1,779**
		61,399	**277**	**-**	**61,676**
2020 (Restated)					
Revenue		1,066,444	-	19,067@	1,085,511
Profit/(Loss) before tax		361,973*	54,698	(4)@	416,667
Non-current assets ^		2,462,902	3,421	-	2,466,323
Expenditure capitalised under:					
Property, plant and equipment	3.1(b)(i)	17,597	-	-	17,597
Investment properties	3.2(c)(i)	16,951	-	-	16,951
Intangible assets	3.5(b)	151	-	-	151
		34,699	-	-	34,699

* Included a gain on disposal of a subsidiary of RM7.7 million.

@ 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 3.3(c)(v)].

^ Non-current assets exclude financial instruments, deferred tax assets and investments in associates and a joint venture.

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1.4 CAPITAL MANAGEMENT

This note outlines the overview of the Group's capital management policy.

For the purpose of the Group's capital management, 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 Shareholders' funds. The gearing ratio at the end of the year is as follows:

		Group	
	Note	2021 RM'000	2020 (Restated) RM'000
Borrowings	3.18	**2,751,117**	2,396,997
Lease liabilities	3.6	**14,512**	28,598
Derivative (asset)/liability	3.12	**(1,926)**	6,013
Cash, bank balances and short-term funds	3.17	**(831,733)**	(662,702)
Net debts		**1,931,970**	1,768,906
Issued capital and reserves attributable to Owners of the Company/Shareholders' funds		**5,468,040**	5,296,988
Gearing ratio (times)		**0.35**	0.33

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 of borrowings, as disclosed in Notes 3.18(b), 3.18(c), 3.18(d) and 3.18(e). The Group has complied with the financial covenants in the current and previous years. During the year, the Group net debts increased by RM163.1 million and the Shareholders' funds strengthened by RM171.1 million. Consequently, the gearing ratio of the Group increased to 0.35 times compared to 0.33 times a year ago. No changes were made in the objectives, policies or processes for managing capital as compared with previous year.

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1.5 DIVIDENDS

This note provides information on dividend distributions paid and proposed by the Company.

	Date of payment	Group and Company			
		Dividend paid in the year ended 31 December		Dividend declared or proposed for the year ended 31 December	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend for the year ended 31 December 2019					
3.0 sen single-tier final dividend	2 July 2020	-	62,124	-	-
Dividend for the year ended 31 December 2020					
1.0 sen single-tier interim dividend	8 October 2020	-	20,709	-	20,709
3.0 sen single-tier final dividend	11 May 2021	**61,863**	-	-	61,863
Dividend for the year ended 31 December 2021					
1.0 sen single-tier interim dividend	30 September 2021	**20,621**	-	**20,621**	-
Proposed 4.0 sen single-tier final dividend*	13 May 2022	-	-	**82,484**	-
		82,484	82,833	**103,105**	82,572

* The Board of Directors recommended a single-tier final dividend of 4.0 sen per ordinary share amounting to approximately RM82.5 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 2021. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting and is not recognised as a liability as at 31 December 2021. The entitlement date for the final dividend is fixed on 26 April 2022 and such dividend will be accounted for in Shareholders' equity as an appropriation of retained profits in the year ending 31 December 2022 if approved by the Shareholders.

Recognition and measurement

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Dividend distribution to the Owners of the Company is recognised directly in retained profits under equity in the period in which the dividend is declared and paid.

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1.6 EARNINGS PER SHARE ("EPS")

This note provides information about the computation of EPS of the Group.

	Group	
	2021	2020 (Restated)
Basic		
Profit attributable to Owners of the Company (RM'000)	**398,227**	343,704
Weighted average number of ordinary shares outstanding ('000)	**2,062,104**	2,069,183
Basic/Diluted EPS (sen)	**19.31**	16.61

Measurement

Basic EPS is calculated by dividing profit attributable to Owners (ordinary equity holders) of the Company for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS 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. The Company's Warrants C 2015/2020 had expiry on 22 July 2020, a total 356,575,952 unexercised Warrants C 2015/2020 have lapsed, there was no dilutive potential ordinary shares at the end of the current and previous years.

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

1.7 NET ASSETS PER SHARE

This note provides information about the computation of net assets per share attributable to Owners of the Company.

		Group	
	Note	2021	2020 (Restated)
Basic			
Issued capital and reserves attributable to Owners of the Company (RM'000)		**5,468,040**	5,296,988
Number of outstanding ordinary shares in issue ('000)	3.23	**2,062,104**	2,062,104
Net Assets per share attributable to Owners of the Company (RM)		**2.65**	2.57

Measurement

Net Assets per share attributable to Owners of the Company is calculated by dividing the issued capital and reserves attributable to Owners (ordinary equity holders) of the Company by the number of outstanding ordinary shares in issue at the end of the year.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT

This note outlines objectives and policies of how the Group and the Company manage their financial risks and liquidity positions and provides information about the types of key financial risks on the financial instruments of the Group and of 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").

	Note	FVTPL RM'000	AC RM'000	FVOCI RM'000	Total RM'000
Group					
2021					
Financial assets					
Capital financing	3.9	**-**	**979,784**	**-**	**979,784**
Trade receivables	3.10	**-**	**235,835**	**-**	**235,835**
Other assets excluding prepayments	3.11	**-**	**24,393**	**-**	**24,393**
Derivative asset	3.12	**-**	**-**	**1,926**	**1,926**
Securities at FVTPL	3.16	**227**	**-**	**-**	**227**
Cash, bank balances and short-term funds	3.17	**512,545**	**319,188**	**-**	**831,733**
		512,772	**1,559,200**	**1,926**	**2,073,898**
Financial liabilities					
Lease liabilities	3.6	**-**	**14,512**	**-**	**14,512**
Borrowings	3.18	**-**	**2,751,117**	**-**	**2,751,117**
Trade payables	3.19	**-**	**93,119**	**-**	**93,119**
Other liabilities excluding provisions	3.20	**-**	**478,195**	**-**	**478,195**
		-	**3,336,943**	**-**	**3,336,943**
2020					
Financial assets					
Capital financing	3.9	-	822,918	-	822,918
Trade receivables	3.10	-	219,644	-	219,644
Other assets excluding prepayments	3.11	-	86,998	-	86,998
Securities at FVTPL	3.16	225	-	-	225
Cash, bank balances and short-term funds	3.17	470,110	192,592	-	662,702
		470,335	1,322,152	-	1,792,487

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

	Note	FVTPL RM'000	AC RM'000	FVOCI RM'000	Total RM'000
Group (Cont'd)					
2020					
Financial liabilities					
Lease liabilities	3.6	-	28,598	-	28,598
Derivative liability	3.12	-	-	6,013	6,013
Borrowings	3.18	-	2,396,997	-	2,396,997
Trade payables	3.19	-	102,738	-	102,738
Other liabilities excluding provisions	3.20	-	394,785	-	394,785
		-	2,923,118	6,013	2,929,131
Company					
2021					
Financial assets					
Other assets excluding prepayments	3.11	**-**	**429**	**-**	**429**
Amounts due from subsidiaries	3.15	**-**	**147**	**-**	**147**
Securities at FVTPL	3.16	**227**	**-**	**-**	**227**
Cash, bank balances and short-term funds	3.17	**67,064**	**880**	**-**	**67,944**
		67,291	**1,456**	**-**	**68,747**
Financial liabilities					
Lease liabilities	3.6	**-**	**2,914**	**-**	**2,914**
Amounts due to subsidiaries	3.15	**-**	**589,642**	**-**	**589,642**
Borrowings	3.18	**-**	**40,000**	**-**	**40,000**
Other liabilities excluding provisions	3.20	**-**	**149**	**-**	**149**
		-	**632,705**	**-**	**632,705**
2020					
Financial assets					
Other assets excluding prepayments	3.11	-	41,969	-	41,969
Securities at FVTPL	3.16	225	-	-	225
Cash, bank balances and short-term funds	3.17	9,744	1,342	-	11,086
		9,969	43,311	-	53,280
Financial liabilities					
Lease liabilities	3.6	-	3,271	-	3,271
Amounts due to subsidiaries	3.15	-	413,065	-	413,065
Borrowings	3.18	-	231,270	-	231,270
Other liabilities excluding provisions	3.20	-	283	-	283
		-	647,889	-	647,889

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1.8 FINANCIAL INSTRUMENTS 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			
Lease liabilities	3.6	Cash flow forecasts	Right mix of short-mid-long terms fundings
Derivative liability	3.12	Debts maturity analysis	Availability of committed lines and credit facilities
Borrowings	3.18		Monitoring of short-term funds
Trade payables	3.19		
Other liabilities excluding provisions	3.20		
(b) Market risk			
(i) Interest rate risk			
Lease liabilities	3.6	Funding cost analysis	Diversification of bankers
Deposits with licensed financial institutions	3.17	Sensitivity analysis	Diversification of borrowings types
Housing Development Accounts	3.17		Centralisation of treasury management
Borrowings	3.18		
(ii) Currency risk			
Trade receivables	3.10	Cash flow forecasts	Foreign currency forwards and cross-currency swap
Other assets excluding prepayments	3.11	Sensitivity analysis	Foreign operations use local financing i.e. natural hedge
Cash, bank balances and short-term funds	3.17		
Borrowings	3.18		
Trade payables	3.19		
Other liabilities excluding provisions	3.20		
(iii) Other price risks			
Commodity price risk	1.8(b)(iii)	Quantity and price analysis	Procurement management, materials price monitoring and hedging
Oil palm fresh fruit bunches price risk	3.14	Sensitivity analysis	
(c) Credit risk			
Capital financing	3.9	Credit ratings	Securing of adequate collaterals
Trade receivables	3.10	Ageing analysis	Diversification of deposits with bankers
Other assets excluding prepayments	3.11	Creditworthiness	Guidelines for short-term placements
Contract assets	3.13		
Bank balances and short-term funds	3.17		
Financial guarantees given to licensed financial institutions for credit facilities granted to an associate and a joint venture	1.8(c)		

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SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS 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.

The Group's principal financial liabilities comprise borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include capital financing, trade receivables, and cash, bank balances and short-term funds that derive directly from its operations. The Group adopts derivatives as hedging instrument where appropriate to manage its 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, currency and other price risks) 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's 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 of 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.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk definition and strategy (Cont'd)

The Group and the Company seek to achieve a balance between certainty of funding and flexibility through the use of a cost-effective borrowing structure including short-term revolving and bankers' acceptances credits, term and bridging lines as well as medium term notes and Sukuk (Rated and Unrated) as disclosed in Note 3.18. 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. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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 allocate 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 and the Group has taken drastic actions to close a few of the Group's hotels a year ago. The reopening of inter-district and inter-state travels since October 2021 has led to higher room occupancy for all our operating hotels, thus reducing substantially its pre-tax losses as compared to a year ago.

Liquidity risk exposures

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 2021 that any subsidiary, associate or joint venture would default. In the event of a default by the subsidiaries, associates or joint venture, the financial guarantees could be called on demand.

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.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk exposures (Cont'd)

	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
Group					
2021					
Borrowings	**951,960**	**247,646**	**805,243**	**1,123,834**	**3,128,683**
Trade payables	**76,371**	**5,327**	**12,499**	**-**	**94,197**
Lease liabilities	**13,432**	**1,449**	**151**	**-**	**15,032**
Other liabilities excluding provisions	**447,728**	**17,329**	**15,000**	**-**	**480,057**
	1,489,491	**271,751**	**832,893**	**1,123,834**	**3,717,969**
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 liability	-	-	6,013	-	6,013
	1,395,114	373,939	933,673	452,435	3,155,161
Company					
2021					
Borrowings	**40,037**	**-**	**-**	**-**	**40,037**
Lease liabilities	**1,848**	**938**	**237**	**-**	**3,023**
Other liabilities excluding provisions	**149**	**-**	**-**	**-**	**149**
	42,034	**938**	**237**	**-**	**43,209**
Amounts due to subsidiaries	**589,642**	**-**	**-**	**-**	**589,642**
	631,676	**938**	**237**	**-**	**632,851**
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

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS 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 prices. The Group is exposed to three types of market risk i.e. interest rate risk, currency risk and other price risks 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. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(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.

The Group and the Company manage their interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. 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. As at 31 December 2021, after taking into account the effect of interest rate swaps, approximately 31% (2020: 6%) of the Group's borrowings are at fixed interest rate.

In relation to the Financial Benchmark Reform, Bank Negara Malaysia ("BNM") announced the launch of the Malaysia Overnight Rate ("MYOR") as the new alternative reference rate ("ARR") for Malaysia on 24 September 2021. Globally, ARRs are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates, in line with the London Interbank Offered Rate ("LIBOR") reforms after the Global Financial Crisis. The introduction of ARRs aims to facilitate usage of benchmark rates that are more robust and based upon transactions in active, liquid markets.

The MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate ("KLIBOR") with periodic reviews by BNM to ensure that the financial benchmark rates remain robust and reflective of an active underlying market. The availability of two financial benchmark rates provides market participants with the flexibility to choose the rate that best suits their needs and facilitates the development of MYOR-based products. The offering of MYOR-based products will provide a wider array of hedging instruments that will support additional risk management strategies.

Contracts and agreements that the Group and the Company had entered into in relation to the financial assets or financial liabilities which have interest rate exposure remained unchanged as the Group and the Company do not have any financial impact as a result of the launch of MYOR.

The Group's treasury management centre is monitoring the periodic reviews of the MYOR and KLIBOR and will assess the impact should there any amendment to the contractual term of the KLIBOR referenced floating rate debt and the associated swap and the corresponding update of the hedge designation.

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SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

Interest rate risk exposures

The financial instruments of the Group and the Company that are exposed to interest rate risk are lease liabilities, amounts due from/to subsidiaries, bank balances and short-term funds and borrowings as disclosed in Notes 3.6, 3.15, 3.17 and 3.18 respectively.

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 (2020: 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit after tax				
Interest rates				
- increased by 0.25%	**(1,813)**	(1,786)	**(1,073)**	(1,209)
- decreased by 0.25%	**1,813**	1,786	**1,073**	1,209

(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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group predominantly operates in Malaysia. The Group also carries out its business in Australia through its associates and subsidiaries. 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.

There was no change in the Group's strategy as a result of the pandemic. However, the economic downturn caused by the pandemic has impacted the fair value of the cross-currency interest rate swap contract as disclosed in Note 3.12 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. The Company is not exposed to foreign currency exchange risks, hence currency risk disclosure for the Company is not presented.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS 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").

Group	Note	Denominated in			Total
		RM RM'000	AUD RM'000	USD RM'000	RM'000
2021					
Financial assets					
Capital financing	3.9	937,011	42,773	-	979,784
Trade receivables	3.10	235,835	-	-	235,835
Other assets excluding prepayments	3.11	23,971	77	345	24,393
Derivative asset	3.12	1,926	-	-	1,926
Securities at FVTPL	3.16	227	-	-	227
Cash, bank balances and short-term funds	3.17	820,882	10,823	28	831,733
		2,019,852	53,673	373	2,073,898
Financial liabilities					
Lease liabilities	3.6	14,512	-	-	14,512
Borrowings	3.18	2,564,697	36,084	150,336	2,751,117
Trade payables	3.19	91,302	-	1,817	93,119
Other liabilities excluding provisions	3.20	477,604	591	-	478,195
		3,148,115	36,675	152,153	3,336,943

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SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS 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"). (Cont'd)

Group (Cont'd)		Denominated in			
	Note	RM RM'000	AUD RM'000	USD RM'000	Total RM'000
2020					
Financial assets					
Capital financing	3.9	822,918	-	-	822,918
Trade receivables	3.10	219,644	-	-	219,644
Other assets excluding prepayments	3.11	85,072	63	1,863	86,998
Securities at FVTPL	3.16	225	-	-	225
Cash, bank balances and short-term funds	3.17	643,446	18,780	476	662,702
		1,771,305	18,843	2,339	1,792,487
Financial liabilities					
Lease liabilities	3.6	28,598	-	-	28,598
Derivative liability	3.12	6,013	-	-	6,013
Borrowings	3.18	2,252,529	-	144,468	2,396,997
Trade payables	3.19	100,852	-	1,886	102,738
Other liabilities excluding provisions	3.20	394,736	49	-	394,785
		2,782,728	49	146,354	2,929,131

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

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 is 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.

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. The Group's exposure to foreign currency changes for all other currencies is not material.

	Group	
	2021 RM'000	**2020 RM'000**
Profit after tax		
AUD/RM		
- strengthen by 3%	**382**	429
- weaken by 3%	**(382)**	(429)
USD/RM		
- strengthen by 3%	**(3,461)**	(3,284)
- weaken by 3%	**3,461**	3,284

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(iii) Other price risks

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of cables and therefore require a continuous supply of copper, aluminium and compound materials. The Group is exposed to changes in the price of these materials on its forecast purchases.

The Group has enacted a risk management strategy for commodity price risk and its mitigation. Based on a 12 months forecast of the required copper and aluminium supply, the Group considers hedges the purchase price using forward commodity purchase contracts when appropriate. The forward contracts do not result in physical delivery of copper but are designated as cash flow hedges to offset the effect of price changes in copper. The Group hedges its expected copper purchases when considered to be highly probable. In managing this, the Group also observes the movement of the copper and aluminium prices and negotiates with its suppliers for the final settlement price. Hedging activities are evaluated regularly to align with Group expectations about the price changes and defined risk appetite; ensuring the most cost-effective hedging strategies are applied. As at 31 December 2021, the Group did not enter into any forward commodity purchase contract.

Commodity price sensitivity

The following table shows the effect of price changes in copper and aluminium:

	Group	
	2021 RM'000	2020 RM'000
Profit after tax		
Copper		
- increased by 10%	**(6,037)**	(5,266)
- decreased by 10%	**6,037**	5,266
Aluminium		
- increased by 10%	**(3,005)**	(1,570)
- decreased by 10%	**3,005**	1,570

Oil palm fresh fruit bunches price risk

As disclosed in Note 3.14, the Group has certain exposure in oil palm fresh fruit bunches.

If the oil palm fresh fruit bunches selling price changed by 10%, profit or loss for the Group would have equally increased or decreased by approximately RM42,000 (2020: RM4,000) respectively.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk

Credit risk definition, strategy and exposures

Credit risk is the risk of potential financial loss 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.

The Group is exposed to credit risk from its operating activities principally from capital financing, trade receivables, other assets, contract assets, bank balances and short-term funds as disclosed in Notes 3.9, 3.10, 3.11, 3.13 and 3.17 respectively. The Group and the Company also provide 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 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 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 2021, 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.

Capital financing, trade receivables, contract assets and other assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Bank balances, short-term funds and amounts due from subsidiaries

Credit risk from balances with banks and financial institutions is managed by the Group's treasury management centre in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's executive committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Impairment assessment

The Group and the Company adopt, where applicable, the 'simplified approach' and 'general approach' impairment assessment pursuant to MFRS 9 'Financial Instruments' for impairment assessment and the related assessments are capital financing, trade receivables, other assets, contract assets, amounts due from subsidiaries, bank balances and short-term funds as disclosed in Notes 3.9, 3.10, 3.11, 3.13, 3.15 and 3.17 respectively.

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.

Amounts 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 3.15. Amounts due from subsidiaries had low credit risk at the end of the year as the amounts due from subsidiaries were fully recovered after year end. The bank balances are placed with credit worthy licensed financial institutions. Therefore, both bank balances and short-term funds have low credit risk.

SECTION 1: INFORMATION ON CORPORATE, BASIS OF PREPARATION, SEGMENT INFORMATION AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Corporate guarantees given to licensed financial institutions for credit facilities granted to:				
- subsidiaries	**-**	-	**2,511,002**	1,940,391
- an associate	**-**	437,603	**-**	437,603
Corporate guarantees given to suppliers for materials supply to a subsidiary	**-**	-	**30,400**	30,400
Corporate guarantees given to licensed financial institutions for credit facilities granted to a joint venture	**35,813**	35,333	**-**	-
	35,813	472,936	**2,541,402**	2,408,394

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 crystallises. 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 upon 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.

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS

This section provides additional information about individual line items in the statements of profit or loss including its relevant accounting policies.

2.1 REVENUE

This note provides revenue streams that are generated by the Group and the Company.

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Dividend income:					
- Subsidiaries		**-**	-	**124,306**	123,179
- Associate		**-**	-	**93,009**	115,759
		-	-	**217,315**	238,938
Revenue from contracts with customers:					
Progress revenue:					
- Construction contracts	3.13(b)(ii)	**1,326**	-	**-**	-
- Property development (net)	3.13(b)(i)	**674,593**	633,320	**-**	-
Provision of services		**89,561**	88,765	**-**	-
Sale of goods and completed properties		**231,663**	240,994	**-**	-
		997,143	963,079	**-**	-
Other revenue:					
Financial assets measured at amortised costs:					
Facilities fees		**10,857**	11,903	**-**	-
Interest income		**87,267**	74,747	**-**	-
Profit income		**98**	-	**-**	-
Shariah fees		**247**	-	**-**	-
Rental income, net of rental concession provided	1.2(d)(iii)	**30,489**	35,782	**-**	-
		128,958	122,432	**-**	-
		1,126,101	1,085,511	**217,315**	238,938
Revenue analysed by timing of revenue recognition where products and services transferred:					
Over time		**688,739**	659,676	**-**	-
At a point in time		**308,404**	303,403	**-**	-
Revenue from contracts with customers		**997,143**	963,079	**-**	-

Revenue analysed by business segments is disclosed in Note 1.3(a).

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.1 REVENUE (CONT'D)

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:

(1) 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 3.7(a)(ii). Percentage of completion is computed by reference to the property development cost incurred to date as a percentage of the estimated total costs of development of the contract.

(2) 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.

(3) 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.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.1 REVENUE (CONT'D)

Recognition and measurement (Cont'd)

(a) Revenue recognition in relation to performance obligation (Cont'd)

(ii) Fee income

Provision of services

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 sale of food and beverage is recognised when a customer receives the food and beverage. 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.

(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.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.1 REVENUE (CONT'D)

Recognition and measurement (Cont'd)

(b) Revenue recognition not in relation to performance obligation

(i) Facilities fees

Facilities fees from capital financing are recognised upon providing the approved credit facilities over the tenure of financing based using the effective interest method.

(ii) Shariah fees

Shariah fees are related to processing and administration of payroll collection and recognised using the effective profit method and in accordance with the principles of Shariah.

(iii) Dividend income

Dividend income is recognised when the rights to receive dividend payment has been established.

(iv) 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.

(v) Profit income

Profit income on Islamic financing is accounted on an accrual basis using the effective profit method by reference to the periods as stipulated in the agreements.

(vi) Rental income

As a lessor, the Group recognised lease payments as rental income from operating lease over the lease term evenly (straight-line basis) based on the rental chargeable to tenants.

2.2 COST OF SALES

This note provides a breakdown of the cost of sales which are directly incurred to generate revenue as disclosed in Note 2.1.

		Group	
	Note	2021 RM'000	2020 (Restated) RM'000
Property development costs	3.7(b)(ii)	**506,252**	462,132
Construction costs		**47,515**	32,943
Cost of services rendered		**22,035**	34,748
Cost of goods sold		**143,758**	105,350
Financial liabilities measured at amortised costs:			
- Facility and commitment fees		**404**	190
- Funding costs		**26,202**	25,567
Property maintenance expenses		**13,295**	17,794
		759,461	678,724

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.2 COST OF SALES (CONT'D)

(a) Recognition and measurement

(i) Property development costs

Recognition and measurement of the property development costs are disclosed in Note 3.7(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 and measured at fair value of goods received.

(v) Facility and commitment fees and funding costs

Fees and funding costs of capital financing are recognised upon facilities provided and amortised over the tenure of the facilities; and interest charged using the effective interest method.

(b) Other information

Included in cost of sales:

	Note	Group 2021 RM'000	Group 2020 RM'000
Amortisation of software licences	3.5(b)	**-**	2
Depreciation of property, plant and equipment	3.1(b)(iii)	**4,833**	4,875
Depreciation of right-of-use assets	3.6(b)(iii)	**237**	79
Rental expenses for:			
- lease of low-value assets	3.6(d)(i)	**2**	273
- short-term leases	3.6(d)(i)	**19**	402
Staff costs		**24,941**	35,604^
Write down/(back) of inventories:			
- completed properties held for sale		**-**	936
- finished goods		**2,931**	(657)
- raw materials		**297**	23
- work-in-progress		**1,805**	-
		35,065	41,537

^ Included in staff costs is an amount of RM1.6 million representing retrenchment costs incurred in the hotel division.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.3 OTHER INCOME

This note outlines other income including gains, write backs and reversals.

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Income:					
Financial assets measured at fair value through profit or loss:					
- Funds distribution income		**8,965**	8,743	**715**	182
Financial assets measured at amortised cost:					
- Interest income on deposits and placements with licensed financial institutions		**3,391**	4,860	**-**	20
Forfeiture of deposits		**342**	1,794	**-**	-
Interest income from subsidiaries		**-**	-	**216**	-
Management fee income		**150**	150	**13,476**	15,251
Rental income		**1,934**	1,956	**-**	-
Rental concession received	3.6(c)	**149**	7	**-**	-
Sale of oil palm fresh fruit bunches		**-**	66	**-**	-
Gains, write backs and reversals:					
Fair valuation gain of:					
- biological assets	3.14(c)	**470**	-	**-**	-
- retention sums		**1,513**	3,173	**-**	-
- securities at FVTPL		**2**	-	**2**	-
- short-term funds		**229**	3,712	**39**	-
Foreign currency transactions gains		**-**	261	**-**	-
Foreign currency translations gains		**25**	16	**-**	-
Gain of financial assets measured at amortised cost:					
- Recovery of bad debts of:					
- capital financing		**214**	51	**-**	-
- trade receivables		**12**	3	**-**	-
- other receivables		**24**	10	**-**	-
Sub-total carried forward		**2,489**	7,226	**41**	-

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.3 OTHER INCOME (CONT'D)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Sub-total brought forward		**2,489**	7,226	**41**	-
Gains, write backs and reversals: (Cont'd)					
- Write back of impairment losses on:					
- capital financing:					
- Individual assessment	3.9(b)(i)	**162**	-	**-**	-
- trade receivables:					
- Collective assessment	3.10(b)(i)	**7**	2	**-**	-
- Individual assessment	3.10(b)(i)	**4,683**	1,287	**-**	-
- other receivables:					
- Individual assessment	3.11(b)(ii)	**771**	405	**-**	-
Gain on disposals of:					
- a subsidiary	3.3(c)(v)	**-**	7,657	**-**	-
- property, plant and equipment		**261**	421	**-**	-
Gain on redemption of short-term funds		**77**	3,850	**-**	41
		8,450	20,848	**41**	41
Others		**5,921**	5,967	**37**	69
		29,302	44,391	**14,485**	15,563

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 2.1, 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 deposits and placements with licensed financial institutions is recognised and measured using the 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 invoiced value.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.3 OTHER INCOME (CONT'D)

Recognition and measurement (Cont'd)

(iv) Gain on the disposals of property, plant and equipment is recognised upon the customer obtaining the control of the asset or completion of sale and purchase agreement.

(v) All other income is recognised on accrual basis based on its fair value transacted.

2.4 ADMINISTRATIVE EXPENSES

This note outlines administrative expenses by nature.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Establishment related expenses					
Amortisation of software licences	3.5(b)	**285**	269	**28**	28
Depreciation of:					
- property, plant and equipment	3.1(b)(iii)	**19,536**	20,657	**233**	226
- right-of-use assets	3.6(b)(iii)	**15,332**	14,533	**1,717**	1,682
Insurance		**1,510**	1,766	**21**	19
Quit rent and assessment		**4,613**	3,976	**-**	-
Rental expenses for:					
- lease of low-value assets	3.6(d)(i)	**89**	92	**-**	-
- short-term leases	3.6(d)(i)	**1,508**	1,398	**-**	-
Repair and maintenance		**7,465**	7,189	**150**	167
Utility expenses		**3,379**	5,055	**53**	64
Others		**793**	1,523	**9**	17
		54,510	56,458	**2,211**	2,203

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.4 ADMINISTRATIVE EXPENSES (CONT'D)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
General administrative expenses				
Advertisement	**45**	128	**20**	30
Auditors' remuneration:				
Statutory audit - current year				
- auditors of the Company	**596**	570	**73**	73
- an affiliate of the Company's auditors	**130**	23	**-**	-
Other audit-related services				
- current year				
- auditors of the Company	**100**	94	**17**	17
	826	687	**90**	90
Bank charges	**433**	487	**8**	8
Communication expenses	**1,281**	1,492	**141**	240
Donations	**2,869**	938	**300**	-
Food and beverage	**278**	536	**86**	132
Sales and service tax expenses	**415**	293	**69**	70
Legal and professional fees	**5,153**	2,346	**288**	275
Printing and stationery	**1,081**	1,292	**175**	249
Repair and maintenance	**1,057**	1,372	**106**	120
Security services	**844**	748	**-**	-
Service and registration expenses	**668**	566	**141**	199
Subscription fees	**337**	295	**70**	63
Transport and travelling	**586**	955	**1**	5
Others	**2,286**	2,949	**1,385**	1,172
	18,159	15,084	**2,880**	2,653
Personnel expenses				
Salaries, allowances, bonuses and other emoluments (net of over provision in prior year)	**63,300**	72,075	**10,761**	12,775
Pension costs - defined contribution plan	**8,309**	9,850	**1,280**	1,297
Others	**4,447**	4,989	**792**	719
	76,056	86,914	**12,833**	14,791

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.4 ADMINISTRATIVE EXPENSES (CONT'D)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Selling and marketing expenses				
Advertisement and promotion	**9,570**	8,804	**-**	-
Commission	**273**	128	**-**	-
Legal fees	**-**	102	**-**	-
Marketing cost	**4,877**	4,754	**-**	-
Others	**499**	600	**-**	-
	15,219	14,388	**-**	-
Total administrative expenses	**163,944**	172,844	**17,924**	19,647

(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	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' remuneration including estimated money value of any other benefits	4.3(b)	**7,803**	10,672	**4,874**	6,430
Staff costs (excluding Directors' remuneration):					
- salaries, allowances, bonuses and other emoluments (net of over provision)		**76,793**	91,906	**6,552**	7,129
- defined contribution plans		**9,550**	12,368	**705**	606
- social security costs		**184**	248	**40**	43
- other staff related expenses		**6,667**	7,324	**662**	583
		93,194	111,846	**7,959**	8,361

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FINANCIAL STATEMENTS
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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.5 OTHER EXPENSES

This note outlines other expenses including impairment loss, write off and reversal.

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Expenses:					
Research and development expenses		**336**	220	**-**	-
Loss, write off and allowance for impairment:					
Fair valuation loss of:					
- biological assets	3.14(c)	**-**	197	**-**	-
- investment properties	3.2(c)(i)	**118**	28,271	**-**	-
- securities at FVTPL		**-**	39	**-**	39
- short-term funds		**4,879**	-	**-**	-
Foreign currency transactions loss		**1**	52	**-**	-
Foreign currency translations loss		**19**	613	**-**	-
Impairment loss on property, plant and equipment	3.1(b)(v)	**97**	18,113	**-**	-
Loss of financial assets measured at amortised cost:					
- Allowance for impairment for:					
- capital financing					
- Collective assessment	3.9(b)(i)	**444**	-	**-**	-
- Individual assessment	3.9(b)(i)	**944**	-	**-**	-
- trade receivables					
- Collective assessment	3.10(b)(i)	**1,467**	1,721	**-**	-
- Individual assessment	3.10(b)(i)	**3,356**	9,038	**-**	-
- other receivables					
- Individual assessment	3.11(b)(ii)	**48**	2,848	**-**	-
Loss on disposal of plant and equipment		**206**	18	**-**	-
Sub-total carried forward		**11,579**	60,910	**-**	39

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.5 OTHER EXPENSES (CONT'D)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Sub-total brought forward		**11,579**	60,910	**-**	39
Loss, write off and allowance for impairment: (Cont'd)					
Reversal of gain on fair valuation of financial guarantee	3.3(d)(ii)	**-**	-	**7,991**	7,800
Write off of financial assets measured at amortised cost:					
- trade receivables		**38**	6	**-**	-
- other receivables		**30**	83	**-**	-
Write off of:					
- expired derivative asset	3.12(ii)	**-**	-	**-**	71,281
- inventories		**50**	-	**-**	-
- plant and equipment	3.1(b)(iv)	**4,388**	56	**-**	-
		16,085	61,055	**7,991**	79,120
Others		**207**	79	**-**	-
		16,628	61,354	**7,991**	79,120

Recognition and measurement

(i) Impairment losses are recognised and measured in accordance with the impairment policies of the assets including property, plant and equipment, capital financing, trade receivables and other assets as disclosed in Notes 3.1, 3.9, 3.10 and 3.11 respectively.

(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 statement of profit or loss in the year in which they arise.

(iii) All other expenses are recognised when the financial obligations of liabilities arise based on fair values of the transactions.

(iv) Loss on disposal of plant and equipment is recognised in accordance with the disposal policy of the property, plant and equipment as disclosed in Note 3.1(a).

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.6 FINANCE COSTS

This note outlines the interest expenses incurred, amortisation of finance costs recognised and interest capitalised.

		Group		Company	
	Note	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Interest expense of financial liabilities that are measured at amortised cost:					
- amounts due to subsidiaries		**-**	-	**19,777**	14,939
- lease liabilities	3.6(c)	**1,367**	1,994	**105**	115
- medium term notes and Sukuk		**40,631**	34,379	**1,877**	9,920
- revolving credits		**9,221**	14,880	**1,350**	1,520
- term borrowings		**11,765**	16,415	**-**	-
- bankers' acceptances and trust receipts		**151**	286	**-**	-
		63,135	67,954	**23,109**	26,494
Other finance costs of financial liabilities that are measured at amortised cost:					
- amortisation of finance cost	3.18(h)(i)	**880**	502	**555**	373
- facilities fee		**3,332**	722	**508**	430
- programmes establishment fee		**820**	-	**-**	-
- retention sums		**981**	1,346	**-**	-
		6,013	2,570	**1,063**	803
Interest capitalised under:					
- land held for property development	3.7(b)(i)	**(20,851)**	(19,155)	**-**	-
- property development expenditure	3.7(b)(ii)	**(2,141)**	(98)	**-**	-
		46,156	51,271	**24,172**	27,297

Recognition and measurement

Finance costs are recognised and measured using the effective interest/profit method over the tenure of the respective amortised cost instruments.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.7 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	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Income tax					
- Current year provision		**73,991**	52,431	**147**	28
- Under/(Over) provision in respect of prior years		**957**	(3,840)	**12**	7
Deferred income tax:					
Deferred tax assets	3.8(b)(i)	**(2,359)**	27,114	**(41)**	32
Deferred tax liabilities	3.8(b)(ii)	**(9,778)**	(6,532)	**-**	-
		(12,137)	20,582	**(41)**	32
		62,811	69,173	**118**	67
Deferred income tax is analysed as follows:					
Origination and reversal of temporary differences		**(11,557)**	(5,070)	**(41)**	32
(Over)/Under provision in prior years		**(580)**	25,652	**-**	-
		(12,137)	20,582	**(41)**	32

Tax expense analysed by business segments of the Group is disclosed in Note 1.3(a).

(a) Recognition and measurement

Current income tax expense is recognised in the statement of 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.

(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	2021 Tax rate	2020 Tax rate
Malaysia	**24%**	24%
Australia	**30%**	30%
Singapore	**17%**	17%

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.7 TAX EXPENSE (CONT'D)

(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% (2020: 24%) is as follows:

	Group		Company	
	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Profit before tax ("PBT")	**464,640**	416,667	**181,713**	128,437
Share of results of associates and a joint venture	**(295,426)**	(250,958)	**-**	-
PBT before share of results	**169,214**	165,709	**181,713**	128,437
Tax at Malaysian statutory rate on PBT @ 24%	**40,611**	39,770	**43,611**	30,825
Tax effects of:				
- different tax rates in foreign jurisdictions/ other authorities	**(14)**	32	**-**	-
- non-taxable income	**(14,716)**	(13,666)	**(52,328)**	(57,410)
- non-deductible expenses	**27,124**	24,400	**8,823**	26,645
Utilisation of previously unrecognised deferred tax assets	**(194)**	(15,383)	**-**	-
Deferred tax assets not recognised during the year	**9,623**	12,208	**-**	-
(Over)/Under provision of deferred tax in respect of prior years	**(580)**	25,652	**-**	-
Under/(Over) provision of income tax in respect of prior years	**957**	(3,840)	**12**	7
Tax expense	**62,811**	69,173	**118**	67

(d) Other information

The deferred tax assets/liabilities are disclosed in Note 3.8.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION

This section provides information about individual line items in the statement of financial position, assets, liabilities, share capital and reserves as well as its applicable accounting policies adopted by the Group and the Company.

3.1 PROPERTY, PLANT AND EQUIPMENT

This note provides information about the property, plant and equipment held by the Group and the Company to generate business income.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net carrying amount:				
Freehold land and golf course on freehold land	**164,756**	179,811	**-**	-
Buildings	**298,323**	317,617	**-**	-
Plant and machinery	**16,421**	13,915	**-**	-
Motor vehicles	**2,420**	2,892	**195**	261
Furniture, fittings, equipment and renovation	**45,325**	44,135	**495**	623
Assets under construction	**23,237**	4,979	**-**	-
Bearer plant	**13,769**	13,803	**-**	-
	564,251	577,152	**690**	884

	Group	
	2021 RM'000	2020 RM'000
Net carrying amount analysed by business segments:		
Property	**169,235**	170,402
Construction	**1,765**	2,972
Industries	**69,738**	70,376
Hospitality	**308,704**	317,263
Financial Services & Investment Holding	**14,809**	16,139
	564,251	577,152

All the property, plant and equipment are in used for business.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 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 (i.e. the fair value at the date on which control is obtained) including the cost of replacing part of the plant and equipment and subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under construction is stated at cost including borrowing costs for construction projects provided the recognition criteria are met, net of accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciates them separately based on their specific useful lives. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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 of the assets. Freehold land and golf course on freehold land are not depreciated. Assets under construction are not depreciated until such time when the asset is available for use. The estimated useful life represents common life expectancy 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	24 - 60	1 - 4
Plant and machinery	5 - 10	10 - 20
Motor vehicles	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 least annually 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. In particular, the Group and the Company consider the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values where applicable.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each year end and adjusted prospectively, if appropriate.

At each reporting date, the Group and the Company assess whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An impairment loss is accounted for if the carrying amount exceeds the recoverable amount as the asset is considered impaired and written down to its recoverable amount.

For the purpose of impairment assessment, recoverable amount of the property, plant and equipment is determined based on either (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	51%	48%	46%
Average gross profit margins	52%	49%	47%
Pre-tax discount rate	6.7%	6.7%	6.7%

Further details of impairment are disclosed in Note (b)(v).

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Carrying amount of an item of property, plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised (Notes 2.3 and 2.5).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information

(i) Movement of property, plant and equipment by classes of assets

Group	Note	Freehold land and golf course on freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Assets under construction RM'000	Bearer plant RM'000	Total RM'000
2021									
Cost									
At the beginning of the year		**180,486**	**473,252**	**119,637**	**14,014**	**151,796**	**7,099**	**18,058**	**964,342**
Additions	1.3(a), 1.3(b)	**-**	**1,394**	**4,759**	**970**	**10,090**	**21,681**	**870**	**39,764**
Disposals		**(14,958)**	**(12,158)**	**-**	**(276)**	**(5,549)**	**-**	**-**	**(32,941)**
Write off	(b)(iv)	**-**	**(4,842)**	**-**	**-**	**(14,297)**	**-**	**-**	**(19,139)**
Reclassification		**-**	**-**	**2,257**	**-**	**1,166**	**(3,423)**	**-**	**-**
At the end of the year		**165,528**	**457,646**	**126,653**	**14,708**	**143,206**	**25,357**	**18,928**	**952,026**
Accumulated depreciation									
At the beginning of the year		**-**	**132,974**	**105,722**	**11,122**	**102,507**	**-**	**4,255**	**356,580**
Charge for the year	(b)(iii)	**-**	**8,901**	**4,510**	**1,442**	**9,300**	**-**	**904**	**25,057**
Disposals		**-**	**(1,787)**	**-**	**(276)**	**(2,318)**	**-**	**-**	**(4,381)**
Write off	(b)(iv)	**-**	**(897)**	**-**	**-**	**(13,854)**	**-**	**-**	**(14,751)**
At the end of the year		**-**	**139,191**	**110,232**	**12,288**	**95,635**	**-**	**5,159**	**362,505**
Accumulated impairment									
At the beginning of the year		**675**	**22,661**	**-**	**-**	**5,154**	**2,120**	**-**	**30,610**
Made during the year	(b)(v)	**97**	**-**	**-**	**-**	**-**	**-**	**-**	**97**
Disposals		**-**	**(2,529)**	**-**	**-**	**(2,908)**	**-**	**-**	**(5,437)**
At the end of the year		**772**	**20,132**	**-**	**-**	**2,246**	**2,120**	**-**	**25,270**
Net carrying amount		**164,756**	**298,323**	**16,421**	**2,420**	**45,325**	**23,237**	**13,769**	**564,251**

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment by classes of assets (Cont'd)

Group (Cont'd)	Note	Freehold land and golf course on freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Assets under construction 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	1.3(a), 1.3(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

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment by classes of assets (Cont'd)

Company	Note	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Total RM'000
2021				
Cost				
At the beginning of the year		**464**	**1,143**	**1,607**
Additions		**-**	**39**	**39**
At the end of the year		**464**	**1,182**	**1,646**
Accumulated depreciation				
At the beginning of the year		**203**	**520**	**723**
Charge for the year	(b)(iii)	**66**	**167**	**233**
At the end of the year		**269**	**687**	**956**
Net carrying amount		**195**	**495**	**690**
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

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 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 the subsidiaries:

	Note	Group	
		2021 RM'000	2020 RM'000
Freehold land and golf course on freehold land		**50,212**	55,890
Buildings		**139,192**	142,357
	3.18(f)	**189,404**	198,247

(iii) Depreciation charge

The total depreciation charge for the year is as follows:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in profit or loss and classified under:					
- Cost of sales	2.2(b)	**4,833**	4,875	**-**	-
- Administrative expenses	2.4	**19,536**	20,657	**233**	226
Charged to contract assets and liabilities in relation to construction contracts	3.13(b)(ii)	**688**	2,020	**-**	-
	(b)(i)	**25,057**	27,552	**233**	226

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 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:

	Note	Group 2021 RM'000	Group 2020 RM'000
Cost		**19,139**	470
Accumulated depreciation		**(14,751)**	(257)
Net carrying amount		**4,388**	213
Recognised in profit or loss and classified under:			
- Other expenses	2.5	**4,388**	56
Charged to contract assets and liabilities in relation to construction contracts	3.13(b)(ii)	**-**	157
	(b)(i)	**4,388**	213

These write off represents assets no longer in use that do not generate future economic benefits to the Group under the Construction and Hospitality Segments.

(v) Impairment

	Note	Group 2021 RM'000	Group 2020 RM'000
Freehold land		**97**	675
Buildings		**-**	12,284
Furniture, fittings and equipment		**-**	5,154
	2.5	**97**	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 divisions carried out based on the indicative market values of property, plant and equipment, the Group had recognised RM0.1 million (2020: RM18.1 million) of impairment loss in the statement of 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 caused by the pandemic as disclosed in Note 1.2(d).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES

This note provides information about the investment properties held by the Group to generate rental income and benefit from capital appreciation.

	Note	Group 2021 RM'000	Group 2020 RM'000
Investment properties	(c)(i)	**442,567**	424,572
Investment properties under construction	(c)(i)	**33,751**	31,731
		476,318	456,303
Carrying amount analysed by business segments:			
Property		**476,053**	456,038
Industries		**265**	265
		476,318	456,303

Investment properties of the Group comprise shopping mall (Atria Shopping Mall including carpark at Petaling Jaya), supermarket premises, office buildings, shop offices, commercial units, residential units and car parks. Management determined that the investment properties consist of two classes of assets (i.e. office and retail) based on the nature, characteristics and risks of each property. In accordance with MFRS 140 Investment Property, office property, Plaza OSK, is classified under property, plant and equipment instead of investment property as a significant portion is held for use in the production or supply of goods or services or for administrative purposes of the Group. The rental income and related expenses of Plaza OSK are classified under Property segment while presented in segment information (Note 1.3) to reflect its nature of business.

(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. The Group has elected to state investment properties at fair value in accordance with MFRS 140 Investment Property. 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 which reflects market conditions at the reporting date. 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 recognised in the statement of profit or loss when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(a) Recognition and measurement (Cont'd)

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised either when they have been disposed (i.e. at the date the recipient obtains control) or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, on the retirement or disposal during the year are recognised in the statement of profit or loss. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer, if any.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(b) Fair value measurement and significant judgement (Cont'd)

(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 : 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 type and location of the properties

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 and 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 amounts of the investment properties are categorised into the fair value hierarchy as follows:

	Note	Group 2021 RM'000	Group 2020 RM'000
Level 1		**-**	-
Level 2		**14,921**	14,921
Level 3	(b)(iv)	**427,646**	409,651
		442,567	424,572

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(b) Fair value measurement and significant judgement (Cont'd)

(iv) Fair value reconciliation of investment properties measured at Level 3

Group	Shopping mall, supermarket premises and car park RM'000	Other premises RM'000	Total RM'000
2021			
At the beginning of the year	**403,150**	**6,501**	**409,651**
Expenditure incurred	**213**	**-**	**213**
Loss on fair valuation	**(118)**	**-**	**(118)**
Transfer from investment property under construction	**17,900**	**-**	**17,900**
At the end of the year	**421,145**	**6,501**	**427,646**
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

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 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 2021	Group 2020
Shopping mall	Comparison	Adjusted property value (RM)	**666 - 667 per sqft**	664 - 665 per sqft
Supermarket premises	Income Capitalisation	Estimated rental per year (RM'000)	**648 - 873**	575 - 635
		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**	1 - 42 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 2021 RM'000	Group 2020 RM'000
Investment properties, at fair value			
At the beginning of the year		**424,572**	452,829
Expenditure incurred		**213**	14
Fair valuation loss recognised in profit or loss	2.5	**(118)**	(28,271)
Reclassified from investment property under construction		**17,900**	-
At the end of the year		**442,567**	424,572

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(c) Other information (Cont'd)

(i) Movement of investment properties (Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000
Investment properties under construction, at cost			
At the beginning of the year		**31,731**	11,951
Expenditure incurred		**19,920**	16,937
Reclassified from inventories	3.7(b)(i)	**-**	2,843
Reclassified to investment properties		**(17,900)**	-
At the end of the year		**33,751**	31,731
		476,318	456,303
Total expenditure capitalised	1.3(a),(b)	**20,133**	16,951

During the year, a fair valuation loss of RM0.1 million (2020: RM28.3 million) is recognised in relation to investment properties of the Group as the recoverable amounts based on indicative market values was lower than the carrying amount of the investment property as a result of the pandemic as disclosed in Note 1.2(d). The additional costs incurred were for the existing investment properties.

During the previous year, a piece of land was reclassified from inventories for the purpose of generating rental income upon completion.

(ii) Rental income and direct expenses

Rental income and direct expenses arising from investment properties during the year are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Rental income generating	**20,449**	25,006
Direct expenses incurred to generate the rental income	**10,461**	14,567

(iii) Other relevant information

Investment properties with a total carrying amount of RM383.5 million (2020: RM383.2 million) are pledged to licensed financial institutions to secure Tranche 1 of MTN 3 issued and term borrowings as disclosed in Notes 3.18(d)(i) and 3.18(f).

No restriction on realisability of investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES

This note provides information about the investments in subsidiaries which generate dividend income for the Company.

		Company	
	Note	2021 RM'000	2020 RM'000
Unquoted shares in Malaysia	(d)(i)	**1,579,491**	1,574,900
Fair value of financial guarantee	(d)(ii)	**-**	7,991
		1,579,491	1,582,891

(a) Recognition, measurement and significant judgement

Subsidiaries are all 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. The Group reassesses whether it controls an entity when facts and circumstances indicate that there are changes in one or more of these elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries 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 Group reviews the investments in subsidiaries measured at cost for impairment when there is an indication of impairment. The recoverable amount of each investment in subsidiary is assessed by reference to its fair value less cost to sell of underlying assets or value-in-use of the subsidiary.

(b) Changes in Group's composition for the year ended 31 December 2021

(i) Incorporation and shareholdings arrangement of Lyte Malaysia Sdn. Bhd. (f.k.a. OSK Lyte Sdn. Bhd.)

On 20 January 2021, OSK Fintech Sdn. Bhd. ("OSKFT"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, OSK Lyte Sdn. Bhd. ("OSKL"), with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is to operate technology and financing platform to provide solutions to freelancers and Small and Medium-Sized Enterprises ("SMEs"). On 15 March 2021, OSKFT entered into a shareholders agreement with Lyte Venture Sdn. Bhd. ("LVSB") for the subscription of the shares in OSKL.

LVSB, a company incorporated in Malaysia, is a subsidiary of Lyte Ventures Pte. Ltd., a company incorporated in Singapore, owned by an external party not related to the Group, which carries on the business of providing financing solutions to freelancers, freelance entrepreneurs and SMEs. With this shareholders agreement, LVSB was given the right to subscribe up to 49% of the total issued and paid up share capital of OSKL.

On 18 March 2021, OSKFT and LVSB had subscribed for 2,039,999 and 1,960,000 new ordinary shares in OSKL for cash of RM2,039,999 and RM1,960,000 respectively. The issued and paid up ordinary share capital of OSKL was increased from RM1 to RM4,000,000. LVSB's subscription of RM1,960,000 was by way of cash of RM500,000 and the balance was in kind via providing access rights to a financing platform to provide solutions to freelancers and SMEs. Accordingly, OSKFT's equity interests in OSKL decreased from 100% to 51%. On 11 May 2021, OSKL changed its name to Lyte Malaysia Sdn. Bhd. ("LMSB").

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2021 (Cont'd)

(ii) Acquisitions of additional equity interests from non-controlling interests of PJ Development Holdings Berhad ("PJDH"), a subsidiary of the Company

On 19 February 2021, the Company acquired 1,000 ordinary shares in PJDH for cash of RM1,200.

The acquisition 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	**(3)**
Gains on consolidation recognised in statement of changes in equity	**2**
Cash outflow on acquisition of additional ordinary shares in PJDH	**(1)**

The Company's equity interest in PJDH remained at 97.22%.

(iii) Subscription of shares in subsidiaries

(1) On 2 March 2021, the Company had subscribed for 1,000,000 new ordinary shares in OSK RE Sdn. Bhd. ("OSK RE") for cash of RM1,000,00. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM1,000,001. The principal activity of OSK RE is to operate generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services. The Company's equity interests in OSK RE remained at 100%.

(2) On 4 March 2021, the Company had subscribed for 499,999 new ordinary shares in OSK Factoring Sdn. Bhd. ("OSK Factoring") for cash of RM499,999. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSK Factoring is provision of factoring facilities. The Company's equity interests in OSK Factoring remained at 100%.

(3) On 4 March 2021, the Company had subscribed for 499,999 new ordinary shares in OSK Syariah Capital Sdn. Bhd. ("OSKSC") for cash of RM499,999. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM500,000. The principal activity of OSKSC is provision of Islamic capital financing. The Company's equity interests in OSKSC remained at 100%.

(4) On 4 March 2021 and 30 December 2021, the Company had subscribed for 2,039,999 and 200,000 new ordinary shares in OSKFT for cash of RM2,039,999 and RM200,000 respectively. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM2,240,000. The principal activity of OSKFT is investment holding. The Company's equity interests in OSKFT remained at 100%.

(5) On 4 March 2021, 25 March 2021 and 8 December 2021, the Company had subscribed for 70,000, 140,000 and 140,000 new ordinary shares in OSK Learning Academy Sdn. Bhd. ("OSKLA") for cash of RM70,000, RM140,000 and RM140,000 respectively. Accordingly, the issued and paid up ordinary share capital of this company increased from RM1 to RM350,001. The principal activity of OSKLA is learning academy. The Company's equity interests in OSKLA remained at 100%.

On 13 August 2021, OSKLA changed its name to OSK Academy Sdn. Bhd..

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2021 (Cont'd)

(iv) Changes of shareholding in Aspect Vision Sdn. Bhd.

On 24 March 2021, via a shareholders agreement, OSK Property Holdings Berhad ("OSKPH") and Pakatan Laksana (M) Sdn. Bhd. ("PLM", a company owned by an external party not related to the Group), had subscribed for 69,999 and 30,000 new ordinary shares in Aspect Vision Sdn. Bhd. ("AVSB") respectively.

On 7 December 2021, OSKPH acquired the entire 30,000 ordinary shares in AVSB from PLM for a total cash consideration of RM28,000. As a result, AVSB become a wholly-owned subsidiary of OSKPH.

The acquisition of additional equity interests from PLM of AVSB have the following effects to the Group:

	RM'000
Net assets acquired from PLM	**(19)**
Loss on consolidation recognised in statement of changes in equity	**(9)**
Cash outflow on acquisition of additional ordinary shares in AVSB	**(28)**

(v) Dissolution of Swiss-Garden International Limited ("SGIL")

On 18 May 2021, SGIL, a wholly-owned subsidiary of Swiss-Garden International Sdn. Bhd., which is a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company has been dissolved from the registrar under the British Virgin Islands Business Companies Act 2004 by application to the Register of Corporate Affairs of the British Virgin Islands. The dissolution did not have any material financial impact on the Group.

(vi) Incorporation of subsidiaries

(1) On 25 October 2021, OSKPH, a subsidiary of the Company, incorporated a wholly-owned subsidiary, Aspect Dynamic Sdn. Bhd. ("ADynamic"), with an issued and paid up capital of RM1 comprising one (1) ordinary share. The intended principal activity of this company is property development.

(2) On 12 November 2021, Acotec Sdn. Bhd., a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, incorporated a wholly-owned subsidiary, Malayan AECA Sdn. Bhd. ("MAECA"), with an issued and paid up capital of RM1 comprising one (1) ordinary share. The intended principal activity of this company is manufacturing.

(vii) Striking off of dormant subsidiaries

(1) On 12 November 2021, OCC Malaysia Sdn. Bhd. ("OCCM"), a dormant company and wholly-owned subsidiary of OSK Industries Limited, an indirect wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, applied to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the CA2016. The application for striking off is pending approval from the Companies Commission of Malaysia. The striking off of OCCM is not expected to have any material financial impact to the Group.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2021 (Cont'd)

(vii) Striking off of dormant subsidiaries (Cont'd)

(2) On 16 December 2021, PJDC International Sdn. Bhd. ("PJDCI"), a dormant company and wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, applied to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the CA2016. The application for striking off is pending approval from the Companies Commission of Malaysia. The striking off of PJDCI is not expected to have any material financial impact to the Group.

(viii) Subscription of ordinary shares in Damai Laut Golf Resort Sdn. Bhd. ("DLGR") by PJD Hotels Sdn. Bhd. ("PJD Hotels")

On 23 December 2021, PJD Hotels, a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, had subscribed for 1,770,000 new ordinary shares in DLGR for cash of RM1,770,000. Accordingly, the issued and paid up ordinary share capital of DLGR increased from RM80,447,900 to RM82,217,900. Accordingly, PJD Hotels's equity interests in DLGR increased from 99.38% to 99.39%.

The effect of subscription of shares has the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	**18**
Loss on consolidation recognised in statement of changes in equity	**(18)**
Cash in/(out)flow on subscription of ordinary shares in DLGR	**-**

(c) Changes in Group's composition for the year ended 31 December 2020

(i) Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company

During the previous 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 had 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)**

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) 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 previous 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 were 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**

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%.

All the PJDH's warrants had expired on 4 December 2020.

(iii) Acquisitions of additional equity interests from non-controlling interests of OSKPH, a subsidiary of the Company

During the previous 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 had 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 did not have any material financial impact to the Group.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) 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 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 were 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	2.3	7,657

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) 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:

	Note	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
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	2.3	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	3.11(b)(i)	(660)
Net cash inflow received from disposal of a subsidiary		8,523

(vi) Incorporation of subsidiaries and subscription of shares in subsidiaries

(1) On 17 July 2020, the Company incorporated a wholly-owned subsidiary, OSK Capital (S) Pte. Ltd. ("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 had subscribed for 197,193 and 4,837,105 new ordinary shares in OSKC (S) for cash of SGD197,193 and SGD4,837,105 respectively. 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%.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Changes in Group's composition for the year ended 31 December 2020 (Cont'd)

(vi) Incorporation of subsidiaries and subscription of shares in subsidiaries (Cont'd)

(2) On 3 August 2020, OSKC (S) incorporated a wholly-owned subsidiary, OSK Capital (A) Pty. Ltd. ("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) had subscribed 200,000 and 4,800,000 new ordinary shares in OSKC (A) for cash of AUD200,000 and AUD4,800,000 respectively. Accordingly, the issued and paid up share capital of OSKC (A) increased from AUD1 to AUD5,000,001. The equity interest in OSKC (A) remained at 100%.

(3) On 27 August 2020, the Company incorporated a wholly-owned subsidiary, OSK Factoring, 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.

(4) 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.

(5) On 4 September 2020, the Company incorporated a wholly-owned subsidiary, OSK Rated Bond Sdn. Bhd. ("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 had subscribed for 499,999 new ordinary shares in OSKRB for cash of RM499,999. Accordingly, the issued and paid up share capital of OSKRB increased from RM1 to RM500,000. The equity interest in OSKRB remained at 100%.

(6) 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.

(7) 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.

(8) On 18 December 2020, the Company incorporated a wholly-owned subsidiary, OSKLA, with an issued and paid up capital of RM1 comprising one (1) ordinary share. The principal activity of this company is learning academy.

(9) On 19 November 2020, the Company had subscribed for 2,700,000 new ordinary shares in OSK Supplies Sdn. Bhd. ("OSKS") for 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%.

(10) 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Other information

(i) Movement of investments in subsidiaries

	Note	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares in Malaysia			
Cost			
At the beginning of the year		**1,672,877**	1,652,007
Acquisition of additional equity interests from non-controlling interests	(b)(ii),(c)(i),(iii)	**1**	2,365
Subscription of shares	(b)(iii),(c)(vi)(1),(3)-(6),(8)-(10)	**4,590**	18,505
At the end of the year		**1,677,468**	1,672,877
Accumulated impairment losses			
At the beginning/end of the year		**(97,977)**	(97,977)
		1,579,491	1,574,900
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)
		-	-
		1,579,491	1,574,900

(ii) Movement of fair value of financial guarantee

	Note	Company 2021 RM'000	Company 2020 RM'000
At the beginning of the year		**7,991**	15,791
Reversal of gain on fair valuation	2.5	**(7,991)**	(7,800)
At the end of the year		**-**	7,991

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FINANCIAL STATEMENTS
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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Other information (Cont'd)

(iii) Shares pledged as security

As at the end of previous year, shares of certain subsidiaries of the Company with carrying amount of RM1.0 billion were pledged to a financial institution to secure the medium term notes ("MTN") issued by the Company under MTN 1 which have been discharged [Note 3.18(b)].

Shares of certain subsidiaries of the Company with carrying amount of RM299.6 million (2020: RM299.6 million) are pledged to a financial institution to secure Tranche 3 of Sukuk 1 issued by the Group under the Sukuk Murabahah Programme (Sukuk 1) [Note 3.18(c)(iv)].

(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	LMSB RM'000	Total RM'000
2021				
Proportion of ownership interest held by non-controlling interests	**0.07%**	**2.78%**	**49.00%**	
Accumulated non-controlling interests	**28,967**	**41,103**	**1,733**	**71,803**
Profit/(Loss) attributable to non-controlling interests	**683**	**3,146**	**(227)**	**3,602**
Dividend paid to non-controlling interests of OSKPH/PJDH/LMSB	**-**	**-**	**-**	**-**
2020 (Restated)				
Proportion of ownership interest held by non-controlling interests	0.07%	2.78%	-	
Accumulated non-controlling interests	28,285	41,145	-	69,430
Profit attributable to non-controlling interests	556	3,234	-	3,790
Dividend paid to non-controlling interests of OSKPH/PJDH	-	-	-	-

The above information is presented based on the financial statements of subsidiary before accounting for (i) fair value adjustments upon both entities being acquired; and (ii) elimination inter-company transactions.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Subsidiaries with non-controlling interests (Cont'd)

Summarised financial information of the material subsidiaries which have non-controlling interests in the Group are set out below:

	2021		2020	
	OSKPH Group RM'000	PJDH Group RM'000	OSKPH Group (Restated) RM'000	PJDH Group (Restated) RM'000
Aggregated assets and liabilities (100%)				
Current assets	**598,118**	**903,968**	460,108	923,595
Non-current assets	**1,614,493**	**1,143,611**	1,407,687	1,210,824
Total assets	**2,212,611**	**2,047,579**	1,867,795	2,134,419
Current liabilities	**(1,398,706)**	**(467,764)**	(1,010,178)	(541,816)
Non-current liabilities	**(144,750)**	**(144,006)**	(200,374)	(157,227)
Total liabilities	**(1,543,456)**	**(611,770)**	(1,210,552)	(699,043)
Net assets	**669,155**	**1,435,809**	657,243	1,435,376
Aggregated results (100%)				
Revenue	**357,147**	**633,334**	307,948	712,750
Profit for the year	**29,204**	**115,689**	50,719	111,039
Other comprehensive (expenses)/income	**-**	**(10,314)**	-	25,810
Total comprehensive income	**29,204**	**105,375**	50,719	136,849
Profit/(Loss) attributable to:				
- owners of OSKPH/PJDH	**28,524**	**115,766**	50,173	111,103
- non-controlling interests of OSKPH/PJDH	**680**	**(77)**	546	(64)
	29,204	**115,689**	50,719	111,039
Total comprehensive income/(expenses) attributable to:				
- owners of OSKPH/PJDH	**28,524**	**105,452**	50,173	136,913
- non-controlling interests of OSKPH/PJDH	**680**	**(77)**	546	(64)
	29,204	**105,375**	50,719	136,849
Aggregated cash flows (100%)				
Net cash from/(used in):				
- operating activities	**18,231**	**194,957**	76,330	196,173
- investing activities	**(213,406)**	**32,837**	(86,338)	57,371
- financing activities	**206,229**	**(139,533)**	3,401	(182,080)
Net increase/(decrease) in cash and cash equivalents	**11,054**	**88,261**	(6,607)	71,464

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
KE-ZAN Holdings Berhad	Property investment and letting of commercial properties	**100.00**	100.00
Lyte Malaysia Sdn. Bhd. (f.k.a. OSK Lyte Sdn. Bhd.)	Operate technology and financing platform to provide solutions to freelancers and SMEs	**51.00 (b)(i)**	-
OSK Academy Sdn. Bhd. (f.k.a. OSK Learning Academy Sdn. Bhd.)	Learning academy	**100.00 (b)(iii)(5)**	100.00 (c)(vi)(8)
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.	Investment holding - Singapore	**100.00**	100.00 (c)(vi)(1)
Subsidiary of OSK Capital (S) Pte. Ltd.			
*OSK Capital (A) Pty. Ltd	Capital financing business - Australia	**100.00**	100.00 (c)(vi)(2)
OSK Design Sdn. Bhd.	Interior design and fit out	**100.00**	100.00
OSK Factoring Sdn. Bhd.	Provision of factoring facilities	**100.00 (b)(iii)(2)**	100.00 (c)(vi)(3)
OSK Fintech Sdn. Bhd.	Investment holding	**100.00 (b)(iii)(4)**	100.00 (c)(vi)(6)
OSK I CM Sdn. Bhd.	Provision of treasury management services	**100.00**	100.00
OSK Management Services Sdn. Bhd.	Provision of management services	**100.00**	100.00
OSK Property Holdings Berhad	Investment holding	**99.93**	99.93 (c)(iii)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
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)(iii)(1)**	100.00 (c)(vi)(10)
OSK Rated Bond Sdn. Bhd.	Provision of treasury management services	**100.00**	100.00 (c)(vi)(5)
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**	100.00 (c)(vi)(9)
OSK Syariah Capital Sdn. Bhd.	Provision of Islamic capital financing	**100.00 (b)(iii)(3)**	100.00 (c)(vi)(4)
PJ Development Holdings Berhad	Investment holding, property investment and provision of management services	**97.22 (b)(ii)**	97.22 (c)(i)
Subsidiaries of OSK Property Holdings Berhad			
^ Aspect Dynamic Sdn. Bhd.	Property development	**99.93 (b)(vi)(1)**	-
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)(iv)**	99.93 (c)(vi)(7)
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

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
Subsidiaries of OSK Property Holdings Berhad (Cont'd)			
Country Wheels Sdn. Bhd.	Property development	**50.97**	50.97
Jelang Vista Sdn. Bhd.	Property development	**99.93**	99.93
Mori Park Sdn. Bhd. (f.k.a. 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 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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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
Subsidiaries of PJ Development Holdings Berhad			
Aco Built System Sdn. Bhd.	Installation of concrete wall panels	**97.22**	97.22
Acotec Sdn. Bhd.	Manufacturing and sale of concrete wall panels and trading of building materials	**97.22**	97.22
Subsidiaries of Acotec Sdn. Bhd.			
Acotec-Concrete Products Sdn. Bhd.	Property investment and rental services	**97.22**	97.22
^ Malayan AECA Sdn. Bhd.	Manufacturing	**97.22 (b)(vi)(2)**	-
PJD Concrete Land (JB) Sdn. Bhd.	Property investment	**97.22**	97.22
PJD Concrete Land (South) Sdn. Bhd.	Property investment	**97.22**	97.22
Ancient Capital Sdn. Bhd.	Retail management and operations	**97.22**	97.22
Bindev Sdn. Bhd.	Property development	**97.22**	97.22
Bunga Development Sdn. Bhd.	Property development	**97.22**	97.22
Subsidiary of Bunga Development Sdn. Bhd.			
Kulai Management Services Sdn. Bhd.	Provision of property management services	**97.22**	97.22
DLHA Management Services Sdn. Bhd.	Investment holding	**97.22**	97.22

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	Effective proportion of ownership interest 2020 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
Eframe Sdn. Bhd.	Software consultancy, product development and maintenance	**97.22**	97.22
Eframe Solutions Sdn. Bhd.	Software consultancy, product development and maintenance	**97.22**	97.22
Harbour Place Management Services Sdn. Bhd.	Provision of property management services	**97.22**	97.22
HTR Management Services Sdn. Bhd.	Provision of property management services	**97.22**	97.22
Kota Mulia Sdn. Bhd.	Property development and investment	**97.22**	97.22
Subsidiaries of Kota Mulia Sdn. Bhd.			
PJD Highland Resort Sdn. Bhd.	Property development	**97.22**	97.22
PTC Management Services Sdn. Bhd.	Provision of property management services	**97.22**	97.22
OCC Cables Berhad	Investment holding	**97.22**	97.22
Subsidiary of OCC Cables Berhad			
PJ Exim Sdn. Bhd.	Trading of cable products	**97.22**	97.22
OSK Construction Sdn. Bhd.	Construction	**97.22**	97.22
Subsidiary of OSK Construction Sdn. Bhd.			
PJDC International Sdn. Bhd.	Investment holding	**97.22 (b)(vii)(2)**	97.22

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest	
		2021 %	2020 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
OSK Industries Limited	Investment holding - Cayman Islands	**97.22**	97.22
Subsidiary of OSK Industries Limited			
OCC Cables Limited	Investment holding - Cayman Islands	**97.22**	97.22
Subsidiary of OCC Cables Limited			
OCC Malaysia Sdn. Bhd.	Investment holding	**97.22 (b)(vii)(1)**	97.22
Olympic Cable Company Sdn. Bhd.	Manufacturing and sale of cables and wires	**97.22**	97.22
Subsidiary of Olympic Cable Company Sdn. Bhd.			
* OVI Cables (Vietnam) Co., Ltd.	Manufacturing and sale of cables and wires - Vietnam	**-**	- (c)(v)
Olympic Properties Sdn. Bhd.	Property investment	**97.22**	97.22
* Pengerang Jaya Pte. Ltd.	Investment holding - Singapore	**97.22**	97.22
Subsidiary of Pengerang Jaya Pte. Ltd.			
P.J. (A) Pty. Limited	Investment holding and hotel business - Australia	**97.22**	97.22
PJ Equity Sdn. Bhd.	Investment holding	**97.22**	97.22

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
PJD Central Sdn. Bhd.	Property development and investment	**97.22**	97.22
PJD Eastern Land Sdn. Bhd.	Property development and investment	**97.22**	97.22
PJD Hartamas Sdn. Bhd.	Property development and investment	**97.22**	97.22
PJD Hotels Sdn. Bhd.	Investment holding and hotel and restaurant business	**97.22**	97.22
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	**96.63 (b)(viii)**	96.62
MM Hotels Sdn. Bhd.	Hotel and restaurant business	**97.22**	97.22
Swiss-Garden Management Services Sdn. Bhd.	Hotel and restaurant business	**97.22**	97.22
PJD Land Sdn. Bhd.	Leasing of office cum commercial building	**97.22**	97.22
PJD Landmarks Sdn. Bhd.	Property development	**97.22**	97.22
PJD Management Services Sdn. Bhd.	Provision of property management and facilities services and all aspect of the hotel and restaurant business	**97.22**	97.22
PJD Pravest Sdn. Bhd.	Cultivation of oil palm	**97.22**	97.22
PJD Properties Management Sdn. Bhd.	Provision of project management services	**97.22**	97.22
PJD Realty Sdn. Bhd.	Property development	**97.22**	97.22
PJD Regency Sdn. Bhd.	Property development	**97.22**	97.22

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd)			
PJD Sejahtera Sdn. Bhd.	Property development	**97.22**	97.22
PKM Management Services Sdn. Bhd.	Provision of property management services	**97.22**	97.22
Putri Kulai Sdn. Bhd.	Property investment	**97.22**	97.22
SGI Vacation Club Berhad	Operation and management of timeshare membership scheme	**97.22**	97.22
Superville Sdn. Bhd.	Property investment	**97.22**	97.22
Swiss-Garden Hotel Management Sdn. Bhd.	Hotel management and consultancy services	**97.22**	97.22
Swiss-Garden International Sdn. Bhd.	Hotel management and consultancy services	**97.22**	97.22
Subsidiary of Swiss-Garden International Sdn. Bhd.			
# Swiss-Garden International Limited	Hotel management and consultancy services - British Virgin Islands	**- (b)(v)**	97.22
Swiss-Garden Rewards Sdn. Bhd.	Marketing of timeshare memberships	**97.22**	97.22
Swiss-Inn JB Sdn. Bhd.	Hotel and restaurant business	**97.22**	97.22
Vibrant Practice Sdn. Bhd.	Car park management and operations	**97.22**	97.22

^ ADynamic and MAECA were consolidated based on their management accounts for the period ended 31 December 2021. 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.

* Audited by BDO PLT member firms.

The financial statements of all subsidiaries used in consolidation are prepared as of 31 December.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 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 and account for the share of results at the Group.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investments in associates					
Quoted shares in Malaysia		**2,282,068**	2,209,705	**2,282,068**	2,209,705
Unquoted shares in Malaysia		**26,553**	91,832	**-**	-
Unquoted shares outside Malaysia		**469,544**	469,544	**-**	-
Foreign currency translation differences		**(38,601)**	(28,175)	**-**	-
		2,739,564	2,742,906	**2,282,068**	2,209,705
Share of reserves, net of dividends received		**1,179,308**	1,135,533	**-**	-
	(e)	**3,918,872**	3,878,439	**2,282,068**	2,209,705
Investment in a joint venture					
Unquoted shares in Malaysia		**10,918**	10,918	**-**	-
Share of reserves		**(10,167)**	(8,529)	**-**	-
	(f)	**751**	2,389	**-**	-
Total		**3,919,623**	3,880,828	**2,282,068**	2,209,705
Market value of investment in an associate					
Quoted shares in Malaysia		**2,264,614**	2,213,635	**2,264,614**	2,213,635
Carrying amount analysed by business segments:					
Property		**576,262**	635,400		
Financial Services & Investment Holding		**3,343,361**	3,245,428		
		3,919,623	3,880,828		

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(a) Recognition, measurement and significant judgement

Associates are those entities in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies of these entities. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associates and joint venture are accounted for using the equity method. They are recognised initially at cost which is measured at the fair value of the consideration paid. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date less accumulated impairment loss, if any. Dividend received as return from investees is recognised as a reduction in the carrying amount of the investment.

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 the Group's 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"), Yarra Park City Pty. Ltd. ("YPC") and Scotia Acres Sdn. Bhd. because of the board representations in the associates/joint venture and the effective proportion of ownership in interests as disclosed in Note (g).

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 CGU by comparing its recoverable amount with its carrying amount. Based on the impairment tests carried out on the investments by using the discounted cash flow projections, the value-in-use derived from the discounted cash flow projections are in excess of the carrying amounts of such investments.

(b) Group's dealing with its associates

(i) Capital repayments from Agile

During the year, Agile repaid cash of RM65.3 million as capital repayment to PJD Hartamas Sdn. Bhd., a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company.

(ii) Increase of equity interests in RHBB via Dividend Reinvestment Plans ("DRP")

On 8 July 2021, RHBB issued and allotted 58,314,499 new RHBB shares at the issue price of RM4.61 per share which was applied to the final dividend in respect of financial year ended 31 December 2020. The dividend entitlement based on shareholdings in RHBB was RM31.1 million and the Company had elected for the DRP. As a result, the Company received 6,740,155 new RHBB shares and cash of RM6.58 from RHBB.

Accordingly, the Company's equity interests in RHBB increased from 10.13% to 10.15%.

On 3 November 2021, RHBB issued and allotted 74,558,388 new RHBB shares at the issue price of RM4.69 per share which was applied to the interim dividend in respect of financial year ending 31 December 2021. The dividend entitlement based on shareholdings in RHBB was RM61.9 million and the Company had elected for the portion of DRP. As a result, the Company received 8,804,084 new RHBB shares and cash of RM20.6 million from RHBB.

Accordingly, the Company's equity interests in RHBB further increased from 10.15% to 10.18%.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(c) Shares pledged as security

(i) A portion of the shares in an associate of the Company has been pledged to licensed financial institutions to secure medium term notes issued by a subsidiary [Notes 3.18(c)(i) and 3.18(d)(ii)]. As at 31 December 2021, the Group's and the Company's carrying amounts of such pledged shares are disclosed in Note 3.18(f).

(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. The Group's carrying amount of such pledged shares stood at RM480.5 million (2020: RM449.8 million). At the end of the year, such borrowings had been fully repaid and the Group is in the process of discharging such pledged shares.

(d) Dividend income

The Company recorded dividends from RHBB of RM93.0 million (2020: RM115.8 million). In the previous year, a dividend of RM40.6 million was receivable as at 31 December 2020 [Note 3.11(b)(i)] and which was received on 9 February 2021.

There were no restrictions on the 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.

(e) Information on investments in associates

There were no contingent liabilities relating to the Group's interests in the associate.

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
2021					
Proportion of ownership interests in associates	**10.18%**	**41.74% #**	**30.00% #**	**27.40% #**	
Share of net assets	**3,099,488**	**411,161**	**22,566**	**94,783**	**3,627,998**
Goodwill	**243,873**	**69,378**	**-**	**-**	**313,251**
Effect of indirect interests in an associate	**-**	**-**	**-**	**(22,349)**	**(22,349)**
Unrealised profit	**-**	**-**	**(28)**	**-**	**(28)**
Carrying amounts	**3,343,361**	**480,539**	**22,538**	**72,434**	**3,918,872**
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

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% (2020: 97.22%) owned subsidiary of the Company. The effective proportion of ownership interest of the associates and a joint venture is disclosed in Note (g) hereinafter.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(e) 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
2021				
Aggregated assets and liabilities of the associates (100%)				
Current assets	- ^	696,330	179,017	47,596
Non-current assets	- ^	421,422	3,428	320,384
Total assets	292,032,596	1,117,752	182,445	367,980
Current liabilities	- ^	(83,222)	-	(1,510)
Non-current liabilities	- ^	(18,690)	(107,226)	(20,537)
Total liabilities	(261,540,848)	(101,912)	(107,226)	(22,047)
Net assets	30,491,748	1,015,840	75,219	345,933
Net assets attributable to:				
- owners of the associates	30,459,565	1,015,840	75,219	345,933
- non-controlling interests of the associates	32,183	-	-	-
	30,491,748	1,015,840	75,219	345,933
Aggregated results (100%)				
Revenue	7,788,666	731,478	14,406	6,007
Profit for the year attributable to:				
- owners of the associates	2,510,738	95,326	6,236	464
- non-controlling interests of the associates	4,744	-	-	-
	2,515,482	95,326	6,236	464
Other comprehensive (expenses)/income attributable to:				
- owners of the associates	(1,345,381)	(21,697)	-	(4,383)
- non-controlling interests of the associates	10	-	-	-
	(1,345,371)	(21,697)	-	(4,383)
Total comprehensive income/(expenses)	1,170,111	73,629	6,236	(3,919)
Net assets attributable to the owners of the associates				
At the beginning of the year	29,592,722	911,341	366,580	349,852
Profit for the year	2,510,738	95,326	6,236	464
Other comprehensive expenses	(1,345,381)	(21,697)	-	(4,383)
Dividend paid and DRP	(298,514)	-	(80,000)	-
Capital injection/(repayment)	-	30,870	(217,597)	-
At the end of the year	30,459,565	1,015,840	75,219	345,933

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(e) 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
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 associates	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 associates	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 associates	(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
Dividend paid/payable	(1,142,864)	-	-	-
At the end of the year	29,592,722	911,341	366,580	349,852

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(e) 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.

(f) 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:

	2021	2020
Proportion of ownership interest in a joint venture (%)	**50.00**	50.00
Share of net assets/Carrying amount (RM'000)	**751**	2,389

Summarised financial information of the joint venture is as follows:

	2021 RM'000	2020 RM'000
Aggregated assets and liabilities of the joint venture (100%)		
Current assets	**1,171**	1,404
Non-current assets	**80,855**	86,752
Total assets	**82,026**	88,156
Current liabilities	**(17,587)**	(20,278)
Non-current liabilities	**(62,936)**	(63,099)
Total liabilities	**(80,523)**	(83,377)
Net assets	**1,503**	4,779
Aggregated results (100%)		
Revenue	**12,244**	14,829
Loss for the year/Other comprehensive expenses attributable to:		
- owners of the joint venture	**(3,276)**	(2,318)
- non-controlling interests of the joint venture	**-**	-
	(3,276)	(2,318)
Total comprehensive expenses	**(3,276)**	(2,318)
Net assets attributable to the owners of the joint venture		
At the beginning of the year	**4,779**	7,097
Loss for the year	**(3,276)**	(2,318)
At the end of the year	**1,503**	4,779

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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D)

(g) 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/ Place of incoporation	Effective proportion of ownership interest 2021 %	2020 %
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	**10.18**	10.13
Associates of PJDH			
Agile PJD Development Sdn. Bhd.	Property development and investment	**29.17** @	29.17
Equity & Property Investment Corporation Pty. Limited	Property investment and development - Australia	**26.64** @	26.64
* Yarra Park City Pty. Ltd.	Property development and investment - Australia	**40.58** @	40.58
Joint venture of PJDH			
Scotia Acres Sdn. Bhd.	Property development and investment	**48.61** @	48.61
Subsidiary of Scotia Acres Sdn. Bhd.			
Canggih Pesaka Sdn. Bhd.	Property investment	**48.61** @	48.61

* Audited by firms of auditors other than BDO PLT in Malaysia and BDO member firms.

@ As disclosed in Note 3.3(b)(ii), the Company's effective equity interests in PJDH remained at 97.22%. PJDH 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% (2020: 29.17%), 26.64% (2020: 26.64%), 40.58% (2020: 40.58%) and 48.61% (2020: 48.61%) 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 and the Group used the management financial statements of EPIC for the financial period ended 31 December.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 INTANGIBLE ASSETS

This note provides information about the software licences, club membership and trademarks that classified as intangible assets.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Software licences	(b)	**2,069**	575	**77**	105
Club membership		**350**	350	**-**	-
Trademarks		**160**	160	**160**	160
		2,579	1,085	**237**	265
Carrying amount analysed by business segments:					
Property		**126**	236		
Financial Services & Investment Holding		**2,453**	849		
		2,579	1,085		

(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. Intangible assets (software licences, club membership and trademarks) acquired separately are measured on initial recognition at cost, being the fair value of consideration paid, and subsequently stated at cost less accumulated amortisation and accumulated impairment loss, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. Club membership and trademarks are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 INTANGIBLE ASSETS (CONT'D)

(b) Software licences

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cost					
At the beginning of the year		**3,048**	2,897	**197**	197
Additions	1.3(a),(b)	**1,779**	151	**-**	-
At the end of the year		**4,827**	3,048	**197**	197
Accumulated amortisation					
At the beginning of the year		**2,473**	2,202	**92**	64
Amortisation		**285**	271	**28**	28
At the end of the year		**2,758**	2,473	**120**	92
Net carrying amount		**2,069**	575	**77**	105
Recognised in profit or loss and classified under:					
Amortisation of software licences					
- Cost of sales	2.2(b)	**-**	2	**-**	-
- Administrative expenses	2.4	**285**	269	**28**	28
		285	271	**28**	28

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 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 under lease receivables and operating leases commitments are disclosed in Notes 3.10 and 5.1(a) respectively.

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.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Right-of-use assets					
Non-current					
Leasehold land	(b)(i)	**48,502**	48,947	**-**	-
Lease of premises and office space	(b)(ii)	**13,733**	27,742	**2,864**	3,211
Lease of equipment	(b)(iii)	**23**	26	**-**	-
		62,258	76,715	**2,864**	3,211
Lease liabilities					
Non-current		**(1,210)**	(13,719)	**(1,144)**	(1,652)
Current		**(13,302)**	(14,879)	**(1,770)**	(1,619)
	(c),1.4, 1.8(b)(ii), 3.18(h)(ii)	**(14,512)**	(28,598)	**(2,914)**	(3,271)
Carrying amount analysed by business segments:					
Right-of-use assets					
Property		**14,750**	28,788		
Construction		**1,105**	1,118		
Industries		**5,034**	4,560		
Hospitality		**5,071**	5,725		
Financial Services & Investment Holding		**36,298**	36,524		
		62,258	76,715		
Lease liabilities					
Property		**(13,908)**	(27,947)		
Industries		**(590)**	(21)		
Hospitality		**(14)**	(630)		
		(14,512)	(28,598)		

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (CONT'D)

(a) Recognition, measurement and significant judgement

Leases are recognised in the statement of financial position as right-of-use asset together with a corresponding lease liability at the date on which the leased asset is available for use ("the lease commencement date") by the Group or the Company.

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, the Group and the Company have elected the practical expedient provided in MFRS 16 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.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to terminated). The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group or the Company and affects whether the Group or the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The Group applies 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 the statement of 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 in the statement of financial position 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 and accumulated impairment losses, if any.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 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 3.1(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 and the Company use 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	63%	60%	59%
Average gross profit margins	50%	45%	43%
Pre-tax discount rate	6.7%	6.7%	6.7%

As at 31 December 2021, the recoverable amounts of right-of-use assets were higher than their carrying amounts and therefore no impairment loss was required.

Similar to Note 3.1(a) relating to property, plant and equipment, the gain or loss arising from the derecognition of an item of right-of-use shall be included in the statement of profit or loss when the item is derecognised (unless MFRS 16 Leases requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Lease liabilities

Lease liabilities are financial liabilities which are classified as amortised cost liabilities. Lease liabilities are recognised in the statement of financial position when the financial obligation of lease contract arises. Lease liabilities are initially measured at fair value represent the present value of the lease payments that are not paid at the lease 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 3.18(a)(ii).

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

The carrying amount of lease liabilities is remeasured and adjusted against the right-of-use assets if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (CONT'D)

(b) Movement of right-of-use assets

	Note	Group 2021 RM'000	Group 2020 RM'000
(i) Leasehold land			
Cost			
At the beginning/end of the year		**59,504**	59,504
Accumulated depreciation			
At the beginning of the year		**10,557**	10,111
Depreciation	2.4	**445**	446
At the end of the year		**11,002**	10,557
Net carrying amount		**48,502**	48,947

Leasehold land with a total carrying amount of RM0.4 million (2020: RM0.4 million) are pledged as security [Note 3.18(f)] for borrowings granted to a subsidiary.

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(ii) Lease of premises and office space					
Cost					
At the beginning of the year		**44,449**	32,851	**5,025**	3,281
Additions		**1,112**	12,497	**1,370**	3,264
Reassessments and modifications of leases		**(1,889)**	(899)	**(1,761)**	(1,520)
At the end of the year		**43,672**	44,449	**4,634**	5,025
Accumulated depreciation					
At the beginning of the year		**16,707**	3,410	**1,814**	1,652
Depreciation	2.2(b),2.4	**15,121**	14,161	**1,717**	1,682
Reassessments and modifications of leases		**(1,889)**	(864)	**(1,761)**	(1,520)
At the end of the year		**29,939**	16,707	**1,770**	1,814
Net carrying amount		**13,733**	27,742	**2,864**	3,211

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (CONT'D)

(b) Movement of right-of-use assets (Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(iii) Lease of equipment					
Cost					
At the beginning of the year		**33**	56	**-**	-
Reassessments and modifications of leases		**-**	(23)	**-**	-
At the end of the year		**33**	33	**-**	-
Accumulated depreciation					
At the beginning of the year		**7**	4	**-**	-
Depreciation	2.2(b),2.4	**3**	5	**-**	-
Reassessments and modifications of leases		**-**	(2)	**-**	-
At the end of the year		**10**	7	**-**	-
Net carrying amount		**23**	26	**-**	-
Recognised in profit or loss and classified under:					
Depreciation of right-of-use assets					
- Cost of sales	2.2(b)	**237**	79	**-**	-
- Administrative expenses	2.4	**15,332**	14,533	**1,717**	1,682
		15,569	14,612	**1,717**	1,682

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (CONT'D)

(c) Movement of lease liabilities

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At the beginning of the year		**28,598**	29,695	**3,271**	1,704
Additions		**1,112**	12,497	**1,370**	3,264
Interest charged	2.6	**1,367**	1,994	**105**	115
Rental concession received	1.2(d),2.3	**(149)**	(7)	**-**	-
Reassessments and modifications of leases		**-**	(55)	**-**	-
Payment of:					
- principal		**(15,049)**	(13,532)	**(1,726)**	(1,697)
- interest		**(1,367)**	(1,994)	**(106)**	(115)
	3.18(h)(ii)	**(16,416)**	(15,526)	**(1,832)**	(1,812)
At the end of the year	3.18(h)(ii)	**14,512**	28,598	**2,914**	3,271
Recognised in profit or loss and classified under:					
Rental concession received					
- Other income	2.3	**149**	7	**-**	-
Interest expense on lease liabilities					
- Finance costs	2.6	**1,367**	1,994	**105**	115

(d) Other information

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(i) Recognised in profit or loss and classified under:					
Rental expenses for short-term leases					
- Cost of sales	2.2(b)	**19**	402	**-**	-
- Administrative expenses	2.4	**1,508**	1,398	**-**	-
Rental expenses for lease of low-value assets					
- Cost of sales	2.2(b)	**2**	273	**-**	-
- Administrative expenses	2.4	**89**	92	**-**	-

(ii) Liquidity risk of the lease liabilities is disclosed in Note 1.8(a).

(iii) The weighted average incremental borrowing rates of the lease liabilities of the Group and the Company ranging from 3.37% to 5.09% (2020: 3.64% to 5.15%) and 3.78% (2020: 3.78%) respectively.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 INVENTORIES

This note provides information about the inventories, consist of land bank, stocks for on-going and completed projects, manufacturing stocks under Olympic-Cables and Acotec-IBS, and hotel consumables.

		Group	
	Note	2021 RM'000	2020 (Restated) RM'000
Non-current			
Land held for property development	(b)(i)	**1,514,701**	1,355,068
Current			
Property development expenditure	(b)(ii)	**248,225**	187,906
Completed properties held for sale	(b)(iii)	**13,736**	23,630
Manufacturing stocks	(b)(iv)	**60,377**	43,292
Hotels and resorts consumables	(b)(v)	**479**	760
Total current		**322,817**	255,588
Total		**1,837,518**	1,610,656
Carrying amount analysed by business segments:			
Property		**1,776,662**	1,566,604
Industries		**60,377**	43,292
Hospitality		**479**	760
		1,837,518	1,610,656

(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 are recognised in the statement of financial position when expenditure is incurred and 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 INVENTORIES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Property development expenditure

Property development expenditure incurred and not recognised in the statement of profit or loss 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 the statement of profit or loss [Notes 2.1(a)(i)(1) and 2.2(a)(i)] 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 recognised in the statement of financial position when such properties are completed with certificate of completion and compliance. It is 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.

(iv) Manufacturing stocks; and hotels and resorts consumables

Raw materials under manufacturing stocks are recognised in the statement of financial position once goods received while other manufacturing stocks are recognised when such goods are ready for delivery to customers. Consumables are recognised upon costs incurred. Manufacturing stocks and consumables are using 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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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 INVENTORIES (CONT'D)

(b) Other information

	Note	Group 2021 RM'000	Group 2020 RM'000
(i) Land held for property development			
Freehold and leasehold land			
At the beginning of the year		**1,115,874**	992,430
Costs incurred		**34,071**	27,014
Purchase of lands		**245,047**	146,000
Reclassified to investment properties		**-**	(1,889)
Reclassified to property development expenditure	(b)(ii)	**(135,872)**	(47,681)
At the end of the year		**1,259,120**	1,115,874
Development expenditure			
At the beginning of the year		**239,194**	206,334
Costs incurred		**83,576**	52,081
Reclassified to investment properties		**-**	(954)
Reclassified to property development expenditure	(b)(ii)	**(67,189)**	(18,267)
At the end of the year		**255,581**	239,194
Total non-current		**1,514,701**	1,355,068
Net amount reclassified to investment properties	3.2(c)(i)	**-**	(2,843)

As disclosed in Note 2.6, interest of RM20.9 million (2020: RM19.2 million) was capitalised during the year which was calculated based on interest rates ranging from 1.55% to 4.62% (2020: 3.12% to 4.73%).

The following carrying amounts of land held for property development that are pledged as security to secure credit facilities as disclosed in Note 3.18(f).

	Note	Group 2021 RM'000	Group 2020 RM'000
Tranche 3 of MTN 2	3.18(c)(ii)	**136,320**	-
Tranche 2 of Sukuk 1	3.18(c)(iii)	**134,164**	130,823
Tranche 4 of Sukuk 1	3.18(c)(v)	**130,108**	-
Term and bridging borrowings		**236,071**	246,142
	3.18(f)	**636,663**	376,965

During the previous 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 [Note 3.2(c)(i)].

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 INVENTORIES (CONT'D)

(b) Other information (Cont'd)

	Note	Group 2021 RM'000	Group 2020 (Restated) RM'000
(ii) Property development expenditure			
Freehold and leasehold land			
At the beginning of the year		**264,219**	277,900
Costs incurred		**-**	794
Reclassified from land held for property development	(b)(i)	**135,872**	47,681
Reclassified to completed properties held for sale		**(549)**	(665)
Reversal of development expenditure for completed projects		**(106,470)**	(61,491)
At the end of the year		**293,072**	264,219
Development expenditure			
At the beginning of the year, previously stated		**223,303**	1,076,097
Effect of adoption of IFRIC Agenda Decision	6.1(a)(ii)	**(22,674)**	(18,478)
At the beginning of the year, as restated		**200,629**	1,057,619
Costs incurred		**368,355**	321,225
Reclassified from land held for property development	(b)(i)	**67,189**	18,267
Reclassified to completed properties held for sale		**(4,296)**	(15,442)
Reversal of development expenditure for completed projects		**(201,134)**	(1,181,040)
At the end of the year		**430,743**	200,629
Total property development expenditure incurred		**723,815**	464,848
Costs recognised in profit or loss			
At the beginning of the year, previously stated		**(303,154)**	(1,073,522)
Effect of adoption of IFRIC Agenda Decision	6.1(a)(ii)	**26,212**	16,181
At the beginning of the year, as restated		**(276,942)**	(1,057,341)
Recognised in profit or loss	2.2	**(506,252)**	(462,132)
Reversal of costs arising from completed projects		**307,604**	1,242,531
At the end of the year		**(475,590)**	(276,942)
Net carrying amount of property development expenditure		**248,225**	187,906

As disclosed in Note 2.6, interest of RM21.1 million (2020: RM 0.1 million) was capitalised during the year which was calculated based on interest rates ranging from 1.95% to 4.87% (2020: 3.36% to 4.90%).

Included in property development land is an amount of RM175.5 million (2020: RM102.1 million) that is pledged as security to secure term borrowings as disclosed in Note 3.18(f).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 INVENTORIES (CONT'D)

(b) Other information (Cont'd)

	Group	
	2021 RM'000	**2020 RM'000**
(iii) Completed properties held for sale		
At cost	**13,096**	22,990
At net realisable value	**640**	640
	13,736	23,630
(iv) Manufacturing stocks		
At cost		
- Consumables	**470**	377
- Finished goods	**20,408**	8,564
- Raw materials	**14,797**	8,575
- Work-in-progress	**13,740**	10,582
	49,415	28,098
At net realisable value		
- Finished goods	**9,132**	14,121
- Raw materials	**627**	1,073
- Work-in-progress	**1,203**	-
	10,962	15,194
Net carrying amount of manufacturing stocks	**60,377**	43,292
(v) Hotels and resorts consumables, at cost	**479**	760

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 DEFERRED TAX ASSETS/(LIABILITIES)

This note provides information for deferred tax accounted by the Group and the Company.

	Note	Group		Company	
		2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Deferred tax assets ("DTA")	(b)(i)	**69,568**	67,209	**748**	707
Deferred tax liabilities ("DTL")	(b)(ii)	**(99,236)**	(109,014)	**-**	-

Carrying amount analysed by business segments:

	Group			
	Deferred tax assets		Deferred tax liabilities	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property	**44,205**	40,638	**(78,210)**	(87,167)
Construction	**499**	719	**(28)**	(26)
Industries	**-**	-	**(7,747)**	(7,867)
Hospitality	**21,735**	23,226	**(6,224)**	(7,134)
Financial Services & Investment Holding	**3,129**	2,626	**(7,027)**	(6,820)
	69,568	67,209	**(99,236)**	(109,014)

(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 in the statement of financial position 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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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The components and movements of deferred tax assets and liabilities:

(i) Deferred tax assets

	As at 1.1.2020 (Restated) RM'000	Deferred tax recognised in profit or loss for 2020 (Restated) (Note 2.7) RM'000	As at 31.12.2020/ 1.1.2021 (Restated) RM'000	Deferred tax recognised in profit or loss for 2021 (Note 2.7) RM'000	As at 31.12.2021 RM'000
Group					
Excess of depreciation over capital allowances	836	(355)	**481**	**(28)**	**453**
Fair value on:					
- investment properties	3,391	(3,391)	**-**	**-**	**-**
- inventories	5,283	(2,217)	**3,066**	**(1,430)**	**1,636**
Interest capitalised in inventories	27,872	(15,220)	**12,652**	**(791)**	**11,861**
Effect of adoption of IFRIC Agenda Decision [Note 6.1(a)(ii)]	432	(1,357)	**(925)**	**-**	**(925)**
	28,304	(16,577)	**11,727**	**(791)**	**10,936**
Unused tax losses and unabsorbed capital allowances	26,002	(20,104)	**5,898**	**(2,700)**	**3,198**
Deferred income	27,811	(849)	**26,962**	**(3,117)**	**23,845**
Provisions	28,395	(993)	**27,402**	**7,113**	**34,515**
Total deferred tax assets	120,022	(44,486)	**75,536**	**(953)**	**74,583**
Offset in DTL [Note b(ii)]	(25,699)	17,372	**(8,327)**	**3,312**	**(5,015)**
Net deferred tax assets	94,323	(27,114)	**67,209**	**2,359**	**69,568**
Company					
Provisions	799	(26)	**773**	**77**	**850**
Total deferred tax assets	799	(26)	**773**	**77**	**850**
Offset in DTL [Note b(ii)]	(60)	(6)	**(66)**	**(36)**	**(102)**
Net deferred tax assets	739	(32)	**707**	**41**	**748**

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 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 1.1.2020 RM'000	Deferred tax recognised in profit or loss for 2020 (Note 2.7) RM'000	As at 31.12.2020/ 1.1.2021 RM'000	Deferred tax recognised in profit or loss for 2021 (Note 2.7) RM'000	As at 31.12.2021 RM'000
Group					
Excess of capital allowances over depreciation	(43,427)	16,077	**(27,350)**	**2,650**	**(24,700)**
Fair value on:					
- investment properties	(10,877)	2,350	**(8,527)**	**-**	**(8,527)**
- inventories	(80,568)	5,477	**(75,091)**	**10,440**	**(64,651)**
- share of net assets of the associates	(6,373)	-	**(6,373)**	**-**	**(6,373)**
Total deferred tax liabilities	(141,245)	23,904	**(117,341)**	**13,090**	**(104,251)**
Offset in DTA [Note b(i)]	25,699	(17,372)	**8,327**	**(3,312)**	**5,015**
Net deferred tax liabilities	(115,546)	6,532	**(109,014)**	**9,778**	**(99,236)**
Company					
Excess of capital allowances over depreciation	(60)	(6)	**(66)**	**(36)**	**(102)**
Total deferred tax liabilities	(60)	(6)	**(66)**	**(36)**	**(102)**
Offset in DTA [Note b(i)]	60	6	**66**	**36**	**102**
Net deferred tax liabilities	-	-	**-**	**-**	**-**

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 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	
	2021 RM'000	**2020 RM'000**
Deductible temporary differences	**70,517**	69,938
Taxable temporary differences	**(143,307)**	(128,551)
Unused tax losses	**180,883**	155,500
Unutilised capital allowances	**283,209**	255,126
	391,302	352,013

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	
	2021 RM'000	**2020 RM'000**
Year of assessment 2028	**92,820**	95,609
Year of assessment 2029	**21,263**	21,352
Year of assessment 2030	**38,539**	38,539
Year of assessment 2031	**28,261**	-
	180,883	155,500

In Malaysia, with effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten years of assessment shall be disregarded.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 CAPITAL FINANCING

This note provides information about the outstanding balances of capital financing portfolio and Islamic financing and the related impairment assessment.

	Note	Group	
		2021 RM'000	2020 RM'000
Non-current			
Term financing		**286,444**	247,978
Islamic financing		**5,213**	-
Total non-current		**291,657**	247,978
Current			
Term financing		**688,514**	575,102
Islamic financing		**1,001**	-
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(444)**	-
- Individual assessment	(b)(i)	**(944)**	(162)
Total current		**688,127**	574,940
Total	1.8(b)(ii)	**979,784**	822,918

The carrying amount is classified under the Financial Services and Investment Holding segment.

Term financing which arose from the provision of the conventional financing are governed under agreements (facility agreements, assignment agreements and the power of attorney where applicable) between the Group and its customers (corporations; individuals; and cooperatives).

During the year, the Group commenced its Islamic financing business and recognised Islamic financing receivables which arose from the provision of Shariah-compliant financing are governed under restricted agency (Wakalah Muqayyadah Bil Ujrah) agreement between the corporation and its Shariah capital financing subsidiary, where this subsidiary is the principal to the agreement to provide capital for certain scheme under a corporation (the agent) which involves in Murabahah Credit Sales Facility (MCSF) business to provide financing to individuals (customers).

(a) Recognition, measurement and significant judgement

Capital and Islamic financing are financial assets with fixed or determinable collections (repayment) by clients and are classified as amortised cost assets. Financing are recognised in the statement of financial position when disbursements are released to clients for generating income. Financing are recognised initially at their fair values equivalent to the financed amounts/commodity transaction value plus any directly attributable transaction fees. Financing are subsequently measured at amortised cost as described in Note (a)(vi) below. Interest income [note 2.1(b)(iv)], profit income [Note 2.1(b)(v)], allowance for impairment losses [Note 2.5(i)] and any gain or loss arising from derecognition of financing are recognised in the statement of profit or loss.

(i) Credit risk management practices

The Group'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 financing has increased significantly since initial recognition, the Group observes ageing of 90 days past due, collateral values, clients' financial standing and compares the risk of a default occurring on the financing at the end of the reporting period with the risk of a default occurring on the financing at the date of such financing is initially recognised.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

A financing is 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 Group to mitigate the credit risk of financing are pledges over quoted shares, charges over properties including land, ownership claims over assets financed and guarantees. The Group 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 Group 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 financing involves a stream of payments via repayment schedule and process of monitoring clients' repayment behaviour would normally take longer than 30 days.

The Group considers a financing as non-performing when a financing is unable to serve the interest/profit and/or repay principal/instalment within the time granted or allowed. The Group adopts the 'general approach', described in Note (a)(vii) below, under MFRS 9 in providing the expected credit loss.

A 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 the client that can be reliably estimated.

The Group writes off an outstanding 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 financing that are written off, the Group's internal legal unit will follow up enforcement activities.

For determining that there is objective evidence of credit-impaired financing, the Group 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

During the year, no significant modifications of contractual cash flows of capital financing have been applied.

The Group 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 financing, the Group has based on historical behaviour including past five years monthly data of each financing from the end of reporting date as an assumption for possibility of default. In addition, the Group observes current market condition in relation to each financing's exposure and related collateral risk exposure.

For incorporation of forward-looking information into the determination of expected credit losses, the Group uses general macroeconomic such as projected gross domestic product ("GDP"), lending interest rate, unemployment rate and inflation rate of Malaysia and Australia as a broad guidance of credit. In addition, the Group 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, the Group 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			
	2021		2020	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**806,965**	**16,115**	763,655	13,692
Originate	**435,528**	**-**	216,306	-
Derecognise	**(277,275)**	**(161)**	(170,573)	-
Transfer	**(34,180)**	**34,180**	(2,423)	2,423
At the end of the year	**931,038**	**50,134**	806,965	16,115

There were no contractual amounts outstanding written off during the year which are still subject to enforcement activities.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iii) Credit risk exposure

The Group assesses credit quality of a financing receivable using the following internal classified grades:

(1) "Grade A" refers to a financing with collateral value higher than the gross outstanding amount. The collateral obtained is sufficient to settle in whole the indebtedness of customer in the event of default.

(2) "Grade B" refers to a financing with collateral value lower than the gross outstanding amount. The collateral obtained, if any, is able to be used to settle in part of the indebtedness of the customer in the event of default.

	Collective assessment		Individual assessment		
	Grade A RM'000	Grade B RM'000	Grade A RM'000	Grade B RM'000	Total RM'000
2021					
Gross carrying amount/Maximum exposure	**877,514**	**53,524**	**46,020**	**4,114**	**981,172**
Collateral value held	**2,991,459**	**34,616**	**141,300**	**5,158**	**3,172,533**
Expected loss provision	**-**	**444**	**-**	**944**	**1,388**
Loan commitments undrawn	**37,676**	**-**	**-**	**-**	**37,676**
Expected loss rate	**0.0%**	**0.8%**	**0.0%**	**22.9%**	**0.1%**
2020					
Gross carrying amount/Maximum exposure	806,964	-	15,954	162	823,080
Collateral value held	3,365,235	-	41,658	2,400	3,409,293
Expected loss provision	-	-	-	162	162
Loan commitments undrawn	164,758	-	-	-	164,758
Expected loss rate	0.0%	0.0%	0.0%	100.0%	0.0%

At the end of the year, the five largest financing accounted for RM264.1 million or 27% (2020: RM252.6 million or 31%) of the net capital financing portfolio, representing the Group's significant concentration of credit risks. These credit risks are mitigated by having collateral values in excess of the outstanding amounts due from these capital financing.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 CAPITAL FINANCING (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iv) Collateral and other credit enhancements obtained

The Group takes possession of collaterals that are held as security and calls on other credit enhancements against financing when loans default. There were no force selling of collateral during the year. The repossessed collaterals are recognised as assets and are sold as soon as practicable. As at 31 December 2021, there are no unsold repossessed collaterals.

(v) Significant estimates and judgements

The impairment allowances for financing are based on assumptions about the risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing impairment allowances, broadly based on the Group's clients' past history, existing market conditions as well as forward-looking information without undue cost at the end of the year.

(vi) Financial assets measured at amortised cost and effective interest/profit method

Amortised cost of a financial asset is the amount measured at initial recognition and adjusted for subsequent recognition of interest/profit income using the effective interest/profit method of any difference between that initial amount and the maturity amount, minus repayments and any impairment/credit losses.

Effective interest/profit 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/profit 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/profit income in the statement of 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.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 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:

	Note	Group 2021 RM'000	Group 2020 RM'000
Collective assessment			
Allowance made	2.5	**444**	-
At the end of the year		**444**	-
Individual assessment			
At the beginning of the year		**162**	162
Allowance made	2.5	**944**	-
Write back of allowance	2.3	**(162)**	-
At the end of the year		**944**	162
Total collective and individual impairment losses		**1,388**	162

(ii) Ageing analysis of capital financing is as follows:

	Group 2021 RM'000	Group 2020 RM'000
Current	**963,679**	822,349
Past due:		
1 to 30 days	**5,132**	32
31 to 90 days	**5,114**	-
More than 90 days	**5,859**	537
	979,784	822,918

(iii) The capital financing portfolio is charged a fixed interest rate at weighted average interest rate of 9.28% (2020: 8.86%) per annum. The normal credit term for financing ranged from 2 to 60 months (2020: 2 to 48 months) from the date of financing.

(iv) Currency exposure profile of the capital financing is disclosed in Note 1.8(b)(ii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 TRADE RECEIVABLES

This note provides information about the outstanding balances of the Group's trade receivables and the related impairment assessment.

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current			
Property progress billings receivables		**22,910**	8,312
Membership fee receivables		**16**	633
Total non-current		**22,926**	8,945
Current			
Property progress billings receivables		**135,550**	127,136
Lease receivables		**11,049**	7,679
Construction billings receivables		**1,513**	1,514
Manufacturing receivables		**58,089**	65,582
Hotels receivables		**1,238**	1,049
Membership fee receivables		**4,867**	6,494
Others		**15,589**	16,226
		227,895	225,680
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(4,596)**	(3,136)
- Individual assessment	(b)(i)	**(10,390)**	(11,845)
Total current		**212,909**	210,699
Total	1.8(b)(ii)	**235,835**	219,644
Carrying amount analysed by business segments:			
Property		**159,682**	136,849
Construction		**1,513**	1,514
Industries		**52,995**	57,255
Hospitality		**6,056**	7,904
Financial Services & Investment Holding		**15,589**	16,122
		235,835	219,644

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 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 in the statement of financial position 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 3.9(a)(vi). Revenue (Note 2.1), allowance for impairment losses [Note 2.5(i)] and any gain or loss arising from derecognition of trade receivables are recognised in the statement of 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, Hotels and Resorts; and SGI Vacation Club.

The Group assesses whether credit risk of a customer has increased significantly since initial recognition via observation of certain criteria including ageing of days past due, collateral values where applicable, latest customer financial standing and compare the risk of a default occurring in the portfolio as at the end of the year with the risk of a default occurring in the portfolio as at the date when such customer was initially recognised. 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.

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 Group reviewed clients' repayment behaviour and compared with the industry's normal credit period and supply chain cycle and determine that payments take longer than 30 days.

The Group considers a receivable as default when such customer did not perform its obligation to make payment within the period granted.

The Group adopts the '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, Hotels and Resorts; and SGI Vacation Club businesses are each assessed in separate groups;
- Products or services: different types of products or services 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. 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's internal legal unit will follow up enforcement activities.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

For determining that there is objective evidence of credit impaired trade receivables, the Group uses the following inputs and assumptions to assess whether there is a significant increase in credit risk 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.

The Group reviews 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, the Group has adopted 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 Group uses 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 Group also observes 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.

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment

	Group			
	2021		2020	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**222,780**	**11,845**	282,030	4,272
Originate	**992,542**	**3,356**	949,236	9,038
Derecognise	**(974,891)**	**(4,683)**	(1,008,486)	(1,287)
Write off	**-**	**(128)**	-	(178)
At the end of the year	**240,431**	**10,390**	222,780	11,845

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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(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
2021				
Current	**1.0**	**173,913**	**4,562**	**1,717**
Past due:				
1 to 30 days	**2.8**	**28,195**	**219**	**777**
31 to 60 days	**2.8**	**12,481**	**38**	**355**
61 to 90 days	**8.5**	**9,682**	**128**	**821**
More than 90 days	**42.6**	**26,550**	**4,687**	**11,316**
		250,821	**9,634**	**14,986**
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

(iv) Significant estimates and judgements

Impairment allowances for trade receivables are based on assumptions about risk of default and expected credit loss rates. The Group uses 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 previous year, as disclosed in Note (b)(i), 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 1.2(d)(iv).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 TRADE RECEIVABLES (CONT'D)

(b) Other information

(i) Movement of allowances for impairment losses:

		Group	
	Note	2021 RM'000	2020 RM'000
Collective assessment			
At the beginning of the year		**3,136**	1,417
Allowance made	2.5	**1,467**	1,721
Write back of allowance	2.3	**(7)**	(2)
At the end of the year		**4,596**	3,136
Individual assessment			
At the beginning of the year		**11,845**	4,272
Allowance made	2.5	**3,356**	9,038
Write back of allowance	2.3	**(4,683)**	(1,287)
Write off of allowance		**(128)**	(178)
At the end of the year		**10,390**	11,845
Total collective and individual impairment losses		**14,986**	14,981

There was 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 (2020: 7 to 90 days).

(iii) Currency exposure profile of the trade receivables is disclosed in Note 1.8(b)(ii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.11 OTHER ASSETS

This note provides information on other receivables, deposits paid and prepayment of expenses that the Group and the Company entered into.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Deposits	1.8(b)(ii)	**2,428**	1,420	**-**	-
Current					
Other receivables	(b)(i)	**12,849**	62,821	**17**	41,562
Deposits	(b)(iii)	**14,453**	29,242	**412**	407
Allowance for impairment	(b)(ii)	**(5,337)**	(6,485)	**-**	-
	1.8(b)(ii)	**21,965**	85,578	**429**	41,969
Prepayments		**4,823**	3,418	**162**	208
Total current		**26,788**	88,996	**591**	42,177
Total		**29,216**	90,416	**591**	42,177
Carrying amount analysed by business segments:					
Property		**18,104**	36,340		
Construction		**849**	2,262		
Industries		**3,283**	4,525		
Hospitality		**4,209**	3,817		
Financial Services & Investment Holding		**2,771**	43,472		
		29,216	90,416		

(a) Recognition, measurement and significant judgement

Other assets excluding prepayments are financial assets with fixed or determinable payments and classified as amortised cost assets. Other assets are recognised in the statement of financial position when goods and/or services provided to the Group and the Company. Such goods and/or services are measured initially at the fair value equivalent to the transaction amounts. Subsequent to the initial recognition, such assets are measured at amortised cost as described in Note 3.9(a)(vi). Gains or losses including impairment are recognised in the statement of 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 3.9(a)(vii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.11 OTHER ASSETS (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

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 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.

Significant increase in expected credit loss during the previous year, as disclosed in Note (b)(ii), 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 1.2(d)(iv).

(b) Other information

(i) Included in other receivables in the previous year were: (i) RM40.6 million dividend receivable from RHBB as disclosed in Note 3.4(d) of which the sum was received on 9 February 2021; and (ii) a balance disposal proceeds of RM0.7 million receivable from the disposal of a subsidiary as disclosed in Note 3.3(c)(v) of which the total amount was received during 2021.

(ii) Movement of allowance for impairment losses:

		Group	
	Note	2021 RM'000	2020 RM'000
Individual assessment			
At the beginning of the year		**6,485**	4,042
Allowance made	2.5	**48**	2,848
Write back of allowance	2.3	**(771)**	(405)
Write off of allowance		**(425)**	-
At the end of the year		**5,337**	6,485

(iii) Included in deposits of 2020 is an amount of RM16.1 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 (2020: 30 to 90 days).

(v) Currency exposure profile of the other assets excluding prepayments is disclosed in Note 1.8(b)(ii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.12 DERIVATIVE ASSET/(LIABILITY)

This note describes the derivative transactions.

	Note	Group	
		2021 RM'000	**2020 RM'000**
Contract/Notional amount			
Cross-currency interest rate swap	(i)	**147,024**	147,024
Derivative asset/(liability)			
At fair value			
Cross-currency interest rate swap	(i)	**1,926**	(6,013)
Carrying amount analysed by maturity:			
More than 1 year but less than 2 years		**1,926**	-
More than 2 years		**-**	(6,013)

The carrying amount is classified under the Financial Services and Investment Holding segment.

Derivatives comprise of:

(i) Cross-currency interest rate swap ("CCIRS")

The Group has entered into a derivative financial instrument (CCIRS) with a financial institution (counterparty) and such CCIRS has been designated as hedging instrument to reflect the unfavourable change in fair value of foreign exchange and interest rate, such CCIRS is used as cash flow hedge to hedge future settlement of a term borrowing denominated in United States Dollar ("USD") as disclosed in Note 3.18(g)(viii) and floating monthly interest payments on borrowing. Both the CCIRS and term borrowing mature on 30 January 2023.

Derivative is initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of cash flow hedge, subsequent gain or loss on remeasurement of the hedging instrument that is determined to be an effective hedge is recognised in the statement of comprehensive income and the ineffective portion is recognised in the statement of profit or loss. Upon expiry of such CCIRS, the changes are accounted for in the statement of comprehensive income will be reversed to the statement of profit or loss accordingly.

(ii) Investment in warrants of a subsidiary

On 4 December 2020, the investment in PJDH's warrants held by the Company had expired and the Company had written off the carrying value of 137,603,196 warrants to the statement of profit or loss (Note 2.5). Thus, no carrying value is shown as at the beginning/end of the year.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.12 DERIVATIVE ASSET/(LIABILITY) (CONT'D)

(a) Recognition and measurement

Derivative (asset/liability) in relation to cashflow hedge is a financial instrument 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 the statement of comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in the statement of comprehensive income that will not be recovered in one or more future period is reclassified from the statement of changes in equity into the statement of 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 the statement of other comprehensive income on the hedging instrument is reclassified to the statement of profit or loss.

(b) Fair value measurement

Fair value measurement of the derivative asset/(liability) was categorised within Level 2 of the fair value hierarchy, pursuant to MFRS 13 'Fair Value Measurement', the Group established as disclosed in Note 3.2(b)(ii), using valuation techniques for which all inputs that had a significant effect on the recorded fair values were observable for the asset/(liability).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.13 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.

	Note	Group 2021 RM'000	Group 2020 RM'000
Contract assets arising from:			
- excess of revenue recognised over progress billings to property purchasers	(b)(i)	**185,621**	163,871
- excess of construction cost incurred plus attributable profit over progress billings to customers	(b)(ii)	**-**	87
		185,621	163,958
Carrying amount analysed by business segments:			
Property		**185,621**	163,871
Construction		**-**	87
		185,621	163,958

(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 recognised in the statement of financial position as excess of cumulative revenue recognised over the progress billings to purchasers. For construction contracts, contract assets are recognised in the statement of financial position 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 the '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 3.10(a)(i) in relation to trade receivables. No expected credit loss is recognised arising from contract assets as it was negligible.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.13 CONTRACT ASSETS (CONT'D)

(b) Other information

(i) Contract assets and liabilities in relation to property development activities:

	Note	Group 2021 RM'000	Group 2020 RM'000
At the beginning of the year		**147,199**	116,757
Net progress revenue recognised in profit or loss	2.1	**674,593**	633,320
Sale of completed properties recognised in profit or loss		**11,252**	28,734
Progress billings issued		**(660,363)**	(631,612)
At the end of the year		**172,681**	147,199
Carrying amount at the end of the year are analysed as follows:			
- Contract assets		**185,621**	163,871
- Contract liabilities	3.21	**(12,940)**	(16,672)
		172,681	147,199
The amounts included in contract liabilities at the beginning of the year which has been recognised as revenue are as follows:			
Contract liabilities recognised as revenue		**16,046**	8,696

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.13 CONTRACT ASSETS (CONT'D)

(b) Other information (Cont'd)

(ii) Contract assets and liabilities in relation to construction contracts:

	Note	Group 2021 RM'000	Group 2020 RM'000
At the beginning of the year		**(3,467)**	(9,590)
Cost incurred and profit accrued		**4,793**	6,123
Progress billings issued and recognised as revenue	2.1	**(1,326)**	-
At the end of the year		**-**	(3,467)
At the end of the year			
- Contract assets		**-**	87
- Contract liabilities	3.21	**-**	(3,554)
		-	(3,467)

Included in the above are: (a) depreciation of property, plant and equipment of RM0.7 million (2020: RM2.0 million) [Note 3.1(b)(iii)]; and (b) property, plant and equipment written off of RM0.1 million in 2020 [Note 3.1(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			
	2021		2020	
	RM'000	%	RM'000	%
Within 1 year	**467,347**	**73%**	369,307	66%
1 to 4 years	**171,455**	**27%**	193,356	34%
	638,802		562,663	

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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.14 BIOLOGICAL ASSETS

	Note	Group 2021 RM'000	Group 2020 RM'000
Unharvested oil palm fresh fruit bunches ("FFB"), at fair value	(c)	**524**	54

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 FFB prior to harvest. Biological assets are recognised in the statement of financial position and 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 oil palm FFB less costs to sell which include harvesting costs and transport expenses.

(b) Fair value measurement

The fair value measurement of the unharvested oil palm FFB 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, pursuant to MFRS 13 'Fair Value Measurement', that the Group established as disclosed in Note 3.2(b)(ii).

The unharvested oil palm FFB measured at Level 3 are using the following significant unobservable inputs in the valuation model:

Valuation technique	Significant unobservable inputs	Group 2021	Group 2020
Income Capitalisation	Estimated sale price per tonne (RM)	**1,157**	780

During the year, there were no transfers between all three levels of the fair values hierarchy for the biological assets.

(c) Other information

The movement of the unharvested oil palm FFB is as follows:

	Note	Group 2021 RM'000	Group 2020 RM'000
At the beginning of the year		**54**	251
Gain/(Loss) in fair value less cost to sell	2.3,2.5	**470**	(197)
At the end of the year		**524**	54

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

This note provides information relating to the advances made between the Company and its subsidiaries.

	Company	
	2021 RM'000	**2020 RM'000**
Amounts due from subsidiaries	**147**	-
Amounts due to subsidiaries	**(589,642)**	(413,065)

(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 in the statement of financial position when amount advanced to subsidiary. It is recognised initially at fair value based on amounts advanced and subsequently measured at amortised cost as described in Note 3.9(a)(vi).

The Company adopts the 'general approach' under MFRS 9 in providing the expected credit loss. The 'general approach' is described in Note 3.9(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 in the statement of financial position when the respective financial obligation arises and are recognised initially at fair value of the advances received. Subsequent to the initial recognition, such amounts due to subsidiaries are measured at amortised cost as described in Note 3.18(a)(ii).

(b) Interest rates

Amounts due from/(due to) subsidiaries are denominated in RM, unsecured and bear an interest rate ranging from 3.11% to 4.69% (2020: 3.06% to 5.52%) per annum. At the end of the year, such amounts including interest rate therein are due and to be received/paid.

3.16 SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

This note provides information on investment that is measured at its fair value.

	Group and Company	
	2021 RM'000	**2020 RM'000**
Quoted shares in Malaysia	**227**	225

The carrying amount is classified under Financial Services and Investment Holding segment.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.16 SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

(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 in the statement of financial position upon contract is settled and initially measured at fair value based on price transacted on the contracts. Subsequent to the initial recognition, such securities are measured at their fair values based on last bid price in the active market. Gains or losses on sale of these securities, changes in fair values and dividend income on these securities are recognised separately in the statement of profit or loss.

(b) Fair value measurement

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, pursuant to MFRS 13 'Fair Value Measurement', that the Group established as disclosed in Note 3.2(b)(ii).

3.17 CASH, BANK BALANCES AND SHORT-TERM FUNDS

This note outlines the liquid funds position of the Group and the Company.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		**42,583**	47,770	**880**	1,342
Deposits with licensed financial institutions		**124,065**	78,577	**-**	-
Short-term funds		**512,545**	470,110	**67,064**	9,744
		679,193	596,457	**67,944**	11,086
Housing development accounts		**152,540**	66,245	**-**	-
	1.4, 1.8(b)(ii)	**831,733**	662,702	**67,944**	11,086
Carrying amount analysed by business segments:					
Property		**398,132**	320,800		
Construction		**20,431**	31,513		
Industries		**9,410**	22,775		
Hospitality		**10,173**	10,527		
Financial Services & Investment Holding		**393,587**	277,087		
		831,733	662,702		

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.17 CASH, BANK BALANCES AND SHORT-TERM FUNDS (CONT'D)

(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 in the statement of financial position and subsequently measured at amortised cost as described in Note 3.9(a)(vi).

Short-term funds are financial assets. Such short-term funds are recognised initially at fair value based on contracts entered in the statement of financial position. Subsequent to initial recognition, such funds are measured at fair value through profit or loss.

(b) Cash and cash equivalents

For the purpose of the statements of cash flows, the 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, forming 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 in accordance with the said section.

(c) Interest rates

The interest rates at the end of the year of:

(i) bank balances under housing development accounts ranging from 0.35% to 0.70% (2020: 0.45% to 2.20%) per annum.

(ii) bank balances under current accounts ranging from 0.50% to 1.25% (2020: 0.75% to 2.25%).

(d) Fair value measurement

The fair value measurement of the short-term funds is categorised within Level 1 of the fair value hierarchy, using unadjusted active market price of the identified assets, pursuant to MFRS 13 'Fair Value Measurement', that the Group established as disclosed in Note 3.2(b)(ii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.17 CASH, BANK BALANCES AND SHORT-TERM FUNDS (CONT'D)

(e) 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 3.18(f).

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Medium term notes and Sukuk					
Cash and bank balances		**1,547**	134	**85**	108
Deposits with licensed financial institutions		**149**	834	**-**	-
Short-term funds		**3,232**	7,368	**-**	4,205
		4,928	8,336	**85**	4,313
Term borrowings					
Deposits with licensed financial institutions		**42,500**	6,003	**-**	-
Short-term funds		**102,122**	110,667	**-**	-
	3.18(f)	**149,550**	125,006	**85**	4,313

(f) Other information

As at 31 December 2021, the deposits with the licensed financial institutions will mature within 365 days (2020: 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 to five days' notice. These funds are subject to an insignificant risk of changes in value and form part of cash and cash equivalents. Funds distribution income are 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 1.8(b)(ii). Cash, bank balances and short-term funds of the Company are denominated in RM.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS

This note outlines details of the borrowings utilised by the Group and the Company.

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Secured					
Bridging		**-**	3,351	**-**	-
Medium term notes ("MTNs") and Sukuk		**1,605,145**	1,203,901	**-**	191,825
Term		**266,122**	298,006	**-**	-
		1,871,267	1,505,258	**-**	191,825
Unamortised issuance expenses		**(887)**	(1,017)	**-**	(555)
Total non-current		**1,870,380**	1,504,241	**-**	191,270
Current					
Secured					
Bankers' acceptances		**-**	12,050	**-**	-
MTNs and Sukuk		**37,000**	39,000	**-**	-
Revolving credits		**169,357**	131,520	**-**	-
Term		**20,552**	15,504	**-**	-
		226,909	198,074	**-**	-
Unamortised issuance expenses		**(443)**	(115)	**-**	-
		226,466	197,959	**-**	-
Unsecured					
Revolving credits		**654,271**	694,797	**40,000**	40,000
		654,271	694,797	**40,000**	40,000
Total current		**880,737**	892,756	**40,000**	40,000
Total	1.4, 1.8(b)(ii)	**2,751,117**	2,396,997	**40,000**	231,270
Total borrowings					
Bankers' acceptances		**-**	12,050	**-**	-
Bridging		**-**	3,351	**-**	-
MTNs and Sukuk		**1,641,078**	1,241,769	**-**	191,270
Revolving credits		**823,365**	826,317	**40,000**	40,000
Term		**286,674**	313,510	**-**	-
		2,751,117	2,396,997	**40,000**	231,270

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

The carrying amount analysed by maturity:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
On demand or within 1 year	**880,737**	892,756	**40,000**	40,000
More than 1 year but less than 2 years	**188,759**	282,943	**-**	191,270
More than 2 years but less than 5 years	**686,999**	805,466	**-**	-
More than 5 years	**994,622**	415,832	**-**	-
	2,751,117	2,396,997	**40,000**	231,270

	Group	
	2021 RM'000	**2020 RM'000**
Carrying amount analysed by business segments:		
Property	**1,171,719**	928,101
Industries	**12,000**	16,452
Hospitality	**94,307**	148,237
Financial Services & Investment Holding	**1,473,091**	1,304,207
	2,751,117	2,396,997

(a) Recognition and measurement

(i) Borrowings

Borrowings including MTNs and Sukuk are financial liabilities which are classified as amortised cost liabilities.

Borrowings are recognised in the statement of financial position 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 the financial obligations. Gains or losses including interest/profit and fee expenses, discount and rebates as well as amortisation of transaction costs are recognised in the statement of 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 the statement of profit or loss.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

(a) Recognition and measurement (Cont'd)

(ii) Financial liabilities measured at amortised cost and effective interest/profit rate method

Amortised cost of a financial liability is the amount measured at initial recognition and adjusted for subsequent recognition of interest expense/profit payment using the effective interest/profit method of any difference between that initial amount and the maturity amount and minus repayments.

Effective interest/profit 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/profit 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/profit payment in the statement of profit or loss over the relevant period.

Therefore, carrying amount of the financial liability is a reasonable approximation of its fair value.

The above amortised costs measurement is also adopted in lease liabilities, amounts due to subsidiaries, trade payables and other liabilities as disclosed in Notes 3.6, 3.15, 3.19 and 3.20 respectively.

(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 17 March 2021, 1 April 2021, 11 May 2021 and 17 May 2021, the Company fully redeemed all outstanding MTN 1 of RM191.8 million.

On 14 June 2021, the Company cancelled MTN 1 and all related shares previously pledged have been discharged together with its relevant assignment.

MTN 1 was secured by:

(1) first party legal charge by way of Memorandum of Deposit with Power of Attorney over shares in certain subsidiaries as disclosed in Note 3.3(d)(iii); and
(2) first party assignment and charge over the Company's rights (including rights to sue), title, interest and benefit in and under the Debt Service Reserve Account ("DSRA") and Disbursement Account and all monies standing to the credit thereto [Note (g)(i)].

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 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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

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.

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 ("TRA") with RM30,000 each in respect of Sukuk 1 and MTN 2 as disclosed in Note (g)(i) which shall be maintained at all times throughout the tenure of the Programme.

(i) Tranche 1 and Tranche 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.

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. Both proceeds from Tranche 1 and Tranche 2 of MTN 2 were utilised for working capital requirements and repayment of borrowings of the Group.

During the year, OSKICM redeemed RM76.3 million of Tranche 1 and RM70.7 million of Tranche 2 of MTN 2. Since first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 of MTN 2 amounted to RM196.8 million and RM171.3 million respectively.

Both Tranche 1 and Tranche 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 Tranche 2 Pledged Shares") [Note 3.4(c)(i)]; and
(2) all its rights, titles, interests and benefits in and under the shares proceeds account ("PA") for Tranche 1 and Tranche 2 maintained by the Company and all monies from time to time standing to the credit thereto (this PA is mainly to capture dividend income receivable from an associate) as disclosed in Note (g)(i).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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 3 of MTN 2

On 8 April 2021, OSKICM issued Tranche 3 of MTN 2 of RM100.0 million in 5 series with maturities commencing from year 2024 to 2028 and redeemable every 12 months commencing 36 months after the first issuance date. The proceeds from Tranche 3 of MTN 2 were utilised to part finance the acquisition of a piece of land for development, which includes reimbursement and other related expenses.

There was no redemption since the first issuance date.

The Tranche 3 of MTN 2 is secured by:

(1) all its rights, titles, interests and benefits in and under the DSRA for Tranche 3 as disclosed in Note (g)(i) maintained by OSKICM and all monies from time to time standing to the credit thereto; and
(2) a piece of land owned by Aspect Potential Sdn. Bhd. ("APSB"), a subsidiary of OSKPH, which in turn is a subsidiary of the Company, and all its present and future assets of APSB [Note 3.7(b)(i)].

(iii) Tranche 2 of Sukuk 1

On 23 July 2018, OSKICM issued Tranche 2 of Sukuk 1 of RM93.0 million with maturities commencing from year 2021 to 2024 and redeemable every 3 months commencing 36 months after the first issuance date. The proceeds from Tranche 2 of Sukuk 1 were utilised to finance the acquisition of a piece of land for development.

OSKICM redeemed RM6.0 million of Tranche 2 of Sukuk 1 on 23 July 2021 and RM6.0 million on 22 October 2021. Since first issuance on 23 July 2018, the total amount redeemed in respect of Tranche 2 of Sukuk 1 amounted to RM12.0 million.

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 3.7(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).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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)

(iv) Tranche 3 of Sukuk 1

On 5 November 2018, OSKICM issued Tranche 3 of Sukuk 1 of RM170.0 million with maturities commencing from year 2021 to 2025 and redeemable every 6 months commencing 36 months after the first issuance date. The proceeds from Tranche 3 of Sukuk 1 were utilised for repayment of borrowings of the Company.

On 5 November 2021, OSKICM redeemed RM17.0 million of Tranche 3 of Sukuk 1 and on 10 November 2021, OSKICM had fully redeemed the outstanding of Tranche 3 of Sukuk 1, amounted to RM153.0 million.

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 as disclosed in Note 3.3(d)(iii);
(2) all its rights, titles, interests and benefits in and under the shares PA for Tranche 3 maintained by the Company and all monies from time to time standing to the credit thereto (this PA 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).

(v) Tranche 4 of Sukuk 1

On 9 November 2021, OSKICM issued Tranche 4 of Sukuk 1 of RM132.0 million with maturities commencing from year 2024 to 2028 and redeemable every 3 months commencing 36 months after the first issuance date. The proceeds from Tranche 4 of Sukuk 1 were utilised to finance the acquisition of a piece of land for development which includes reimbursement and other related expenses.

There was no redemption since first issuance date.

The Tranche 4 of Sukuk 1 is secured by:

(1) all its rights, titles, interests and benefits in and under the FSRA for Tranche 4 as disclosed in Note (g)(i) 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 TRA for Tranche 4 as disclosed in Note (g)(i) maintained by OSKICM and all monies from time to time standing to the credit thereto;
(3) all its rights, titles, interests and benefits in and under the Operating Account for Tranche 4 maintained by Mori Park Sdn. Bhd. ("MPSB"), 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;
(4) a FSRA as disclosed in Note (g)(i), maintained by OSKICM, of a minimum amount equivalent to one periodic profit payment; and
(5) a piece of land owned by MPSB and all its present and future assets of MPSB [Note 3.7(b)(i)].

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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. The 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 TRA 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 of RM164.2 million in 15 series with maturities commencing from year 2020 to 2034 and redeemable every 12 months commencing 12 months after the first issuance date. The proceeds from Tranche 1 of MTN 3 were utilised for repayment of borrowings of a subsidiary.

On 10 May 2021, OSKICM redeemed RM5.0 million of Tranche 1 of MTN 3. Since first issuance on 10 May 2019, the total amount redeemed in respect of Tranche 1 of MTN 3 amounted to RM10.0 million.

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) 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 3.2(c)(iii)];
(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; 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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)

(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 of RM100.0 million on 30 September 2019 and 30 January 2020 with a tenure of 5 years maturing on 30 September 2024 and 30 January 2025 respectively. The proceeds from both tranches were utilised for working capital requirements.

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 from Tranche 4 of MTN 3 were utilised for repayment of the existing bank borrowings of the Group.

On 30 September 2021, OSKICM redeemed RM5.0 million of Tranche 4 of MTN 3. There were no redemption for Tranche 2 and Tranche 3 of MTN 3 since the first issuance date.

The Tranche 2, Tranche 3 and Tranche 4 of MTN 3 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 3.4(c)(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 amounts equivalent to one month coupon payment as disclosed in Note (g)(i).

(e) Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), will have a combined limit of up to RM2.0 billion (or its equivalent in other currencies) in aggregate nominal value

On 29 September 2020, OSK Rated Bond Sdn. Bhd. ("OSKRB"), a wholly-owned subsidiary of the Company lodged with SC all the required information and relevant documents relating to Sukuk-R/MCMTN-R pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The tenure of the Sukuk-R/MCMTN-R Programme is perpetual.

Malaysia Rating Corporation Berhad ("MARC") had on 16 November 2020 assigned a final rating of AA_{IS}/AA with stable outlook to OSKRB's Sukuk-R and MCMTN-R. On 28 October 2021, MARC has affirmed its AA_{IS}/AA ratings on OSKRB's Sukuk-R/MCMTN-R with stable outlook.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

(e) Islamic Medium Term Notes (Sukuk Murabahah) Programme ("Sukuk-R"), which together with a Multi-Currency Medium Term Notes Programme ("MCMTN-R"), will have a combined limit of up to RM2.0 billion (or its equivalent in other currencies) in aggregate nominal value (Cont'd)

The terms of Sukuk-R and MCMTN-R 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) OSKRB shall set up or procure TRA with a sum of RM30,000 each as disclosed in Note (g)(i) in respect of Sukuk-R and MCMTN-R which shall be maintained at all times throughout the tenure of the Programme.

(i) Series 1 of Sukuk-R and Series 1 of MCMTN-R

On 12 March 2021, OSKRB issued Series 1 of Sukuk-R of RM100.0 million and Series 1 of MCMTN-R for RM20.0 million with a tenure of 5 years maturing on 12 March 2026 at fixed rate of 3.55% per annum. The proceeds from both issuances were utilised for working capital and repayment of bank borrowings of the Group.

There was no redemption since the issuance date.

(ii) Series 2 and Series 3 of Sukuk-R

On 30 April 2021, OSKRB issued (i) Series 2 of Sukuk-R of RM373.0 million with a tenure of 7 years maturing on 28 April 2028 at fixed rate of 4.39% per annum; (ii) Series 3 of Sukuk-R of RM205.0 million with a tenure of 10 years maturing on 30 April 2031 at fixed rate of 4.52% per annum. The proceeds from both the issuances were utilised for working capital and repayment of borrowings of the Group.

There was no redemption since the issuance date.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

(f) Secured borrowings

The Group and the Company have pledged the following assets as security for the secured borrowings.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Carrying amounts of the assets pledged for credit facilities:					
Property, plant and equipment	3.1(b)(ii)	**189,404**	198,247	**-**	-
Investment properties	3.2(c)(iii)	**383,457**	383,244	**-**	-
Shares in subsidiaries	3.3(d)(iii)	**-**	-	**299,562**	1,328,712
Shares in an associate	3.4(c)(i)	**1,355,582**	2,588,854	**925,276**	1,762,666
Right-of-use assets	3.6(b)(i)	**415**	427	**-**	-
Inventories:					
- Land held for property development	3.7(b)(i)	**636,663**	376,965	**-**	-
- Property development expenditure	3.7(b)(ii)	**175,485**	102,100	**-**	-
Cash, bank balances and short-term funds	3.17(e)	**149,550**	125,006	**85**	4,313
		2,890,556	3,774,843	**1,224,923**	3,095,691

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

(g) Other information

(i) The Group's outstanding MTNs and Sukuk, DSRA, FSRA, PA and TRA balances are as follows:

	Note	Outstanding amounts RM'000	DSRA balances RM'000	FSRA balances RM'000	PA balances RM'000	TRA balances* RM'000
2021						
Tranche 1 of MTN 2	(c)(i)	**53,241**	**-**	**-**	**15**	
Tranche 2 of MTN 2	(c)(i)	**28,733**	**-**	**-**	**34**	**32**
Tranche 3 of MTN 2	(c)(ii)	**100,000**	**283**	**-**	**-**	
Tranche 2 of Sukuk 1	(c)(iii)	**80,971**	**-**	**1,244**	**-**	
Tranche 3 of Sukuk 1	(c)(iv)	**-**	**-**	**770**	**36**	**32**
Tranche 4 of Sukuk 1	(c)(v)	**132,000**	**-**	**363**	**-**	
Tranche 1 of MTN 3	(d)(i)	**154,200**	**723**	**-**	**-**	
Tranche 2 of MTN 3	(d)(ii)	**100,000**	**382**	**-**	**-**	**31**
Tranche 3 of MTN 3	(d)(ii)	**100,000**	**382**	**-**	**-**	
Tranche 4 of MTN 3	(d)(ii)	**195,000**	**529**	**-**	**-**	
Series 1 of MCMTN-R	(e)(i)	**20,000**	**-**	**-**	**-**	**30**
Series 1 of Sukuk-R	(e)(i)	**100,000**	**-**	**-**	**-**	
Series 2 of Sukuk-R	(e)(ii)	**373,000**	**-**	**-**	**-**	**30**
Series 3 of Sukuk-R	(e)(ii)	**205,000**	**-**	**-**	**-**	
		1,642,145	**2,299**	**2,377**	**85**	**155**
Unamortised issuance expenses		**(1,067)**				
		1,641,078				
2020						
MTN 1	(b)	191,825	4,205	-	-	-
Tranche 1 of MTN 2	(c)(i)	129,500	-	-	43	32
Tranche 2 of MTN 2	(c)(i)	99,405	-	-	29	
Tranche 2 of Sukuk 1	(c)(iii)	92,971	-	1,221	-	32
Tranche 3 of Sukuk 1	(c)(iv)	170,000	-	744	36	
Tranche 1 of MTN 3	(d)(i)	159,200	699	-	-	
Tranche 2 of MTN 3	(d)(ii)	100,000	369	-	-	31
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	95
Unamortised issuance expenses		(1,132)				
		1,241,769				

* Included interest/profit income earned during the periods.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 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	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Issuance:					
Tranche 3 of MTN 3		**-**	100,000	**-**	-
Tranche 4 of MTN 3		**-**	200,000	**-**	-
Tranche 3 of MTN 2	(c)(ii)	**100,000**	-	**-**	-
Tranche 4 of Sukuk 1	(c)(v)	**132,000**	-	**-**	-
Series 1 of MCMTN-R	(e)(i)	**20,000**	-	**-**	-
Series 1 of Sukuk-R	(e)(i)	**100,000**	-	**-**	-
Series 2 of Sukuk-R	(e)(ii)	**373,000**	-	**-**	-
Series 3 of Sukuk-R	(e)(ii)	**205,000**	-	**-**	-
		930,000	300,000	**-**	-
Redemption:					
MTN 1	(b)	**(191,825)**	(74,381)	**(191,825)**	(74,381)
Tranche 1 of MTN 2	(c)(i)	**(76,259)**	(79,400)	**-**	-
Tranche 2 of MTN 2	(c)(i)	**(70,672)**	(80,880)	**-**	-
Tranche 2 of Sukuk 1	(c)(iii)	**(12,000)**	-	**-**	-
Tranche 3 of Sukuk 1	(c)(iv)	**(170,000)**	-	**-**	-
Tranche 1 of MTN 3	(d)(i)	**(5,000)**	(5,000)	**-**	-
Tranche 4 of MTN 3	(d)(ii)	**(5,000)**	-	**-**	-
		(530,756)	(239,661)	**(191,825)**	(74,381)

(iii) All covenants of the borrowings are met at all times during the year.

(iv) There were no changes in the term of existing borrowings contracted arrangement. 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 1.8(a).

(vii) Currency exposure profile of the borrowings is disclosed in Note 1.8(b)(ii). Included in unsecured revolving credits is an amount of RM36.1 million (2020: RMNil) (AUD12.0 million) which is denominated in AUD.

(viii) Included in non-current term borrowings is an amount of RM150.3 million (2020: RM144.5 million) (USD36.0 million) hedge via a cross-currency interest rate swap as disclosed in Note 3.12.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 BORROWINGS (CONT'D)

(h) Reconciliation of liabilities arising from financing activities

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(i) Borrowings					
At the beginning of the year		**2,396,997**	2,378,469	**231,270**	305,278
Cash inflows/(outflows):					
- Net drawdowns/(repayment)		**348,450**	20,582	**(191,825)**	(74,381)
- Expenses incurred to be amortised		**(1,078)**	-	**-**	-
Non-cash:					
- Fair value loss on cash flow hedge		**5,868**	(2,556)	**-**	-
- Amortisation of finance cost	2.6	**880**	502	**555**	373
		6,748	(2,054)	**555**	373
At the end of the year		**2,751,117**	2,396,997	**40,000**	231,270
(ii) Lease liabilities					
At the beginning of the year		**28,598**	29,695	**3,271**	1,704
Cash outflows	3.6(c)	**(16,416)**	(15,526)	**(1,832)**	(1,812)
Non-cash:					
- New leases		**1,112**	12,497	**1,370**	3,264
- Rent concession received		**(149)**	(7)	**-**	-
- Reassessments and modifications of leases		**-**	(55)	**-**	-
- Interest charged		**1,367**	1,994	**105**	115
		2,330	14,429	**1,475**	3,379
At the end of the year	3.6(c)	**14,512**	28,598	**2,914**	3,271
Total liabilities from financing activities		**2,765,629**	2,425,595	**42,914**	234,541

(i) Interest and profit rates

	Group 2021 %	Group 2020 %	Company 2021 %	Company 2020 %
Borrowings	**2.96 - 4.82**	1.49 - 5.42	**3.18 - 3.43**	3.20 - 4.76

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.19 TRADE PAYABLES

This note provides information about the outstanding balances of contractors and suppliers.

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current			
Property development payables		**9,556**	5,989
Construction payables		**7,192**	10,401
Total non-current		**16,748**	16,390
Current			
Property development payables		**24,573**	21,853
Construction payables		**22,195**	34,578
Industries related payables		**17,523**	16,096
Hotels related payables		**548**	611
Advances received from capital financing		**209**	461
Others		**11,323**	12,749
Total current		**76,371**	86,348
Total	1.8(b)(ii)	**93,119**	102,738
Carrying amount analysed by business segments:			
Property		**34,129**	27,842
Construction		**29,387**	44,979
Industries		**17,523**	16,096
Hospitality		**548**	611
Financial Services & Investment Holding		**11,532**	13,210
		93,119	102,738

(a) Recognition and measurement

Trade payables are financial liabilities which are classified as amortised cost liabilities. Trade payables are recognised in the statement of financial position 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 3.18(a)(ii). Trade payables are derecognised upon extinguishment of their financial obligations.

(b) Other information

(i) Trade payables are non-interest bearing. Normal trade credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days).

(ii) Liquidity risk of the trade payables is disclosed in Note 1.8(a).

(iii) Currency exposure profile of the trade payables is disclosed in Note 1.8(b)(ii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.20 OTHER LIABILITIES

This note provides information about the other liabilities by nature including provisions for expenses where probable outflow of economic resources are expected and deposits received.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Other payable	(b)(i)	**28,138**	43,640	**-**	-
Deposits received	(b)(ii)	**2,329**	5,690	**-**	-
Total non-current	1.8(b)(ii)	**30,467**	49,330	**-**	-
Current					
Other payables	(b)(i)	**76,943**	39,479	**-**	-
Accruals	(b)(iii)	**359,974**	296,987	**149**	283
Deposits received		**10,811**	8,989	**-**	-
	1.8(b)(ii)	**447,728**	345,455	**149**	283
Provisions	(b)(iv)	**111,389**	99,681	**3,842**	3,868
Total current		**559,117**	445,136	**3,991**	4,151
Total		**589,584**	494,466	**3,991**	4,151
Carrying amount analysed by business segments:					
Property		**532,084**	453,147		
Construction		**20,766**	13,583		
Industries		**7,631**	7,565		
Hospitality		**11,595**	10,235		
Financial Services & Investment Holding		**17,508**	9,936		
		589,584	494,466		

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.20 OTHER LIABILITIES (CONT'D)

(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 in the statement of financial position 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 3.18(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 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 finance cost.

(b) Other information

(i) The non-current other payable represents an amount due to a third party of RM28.1 million (2020: RM43.6 million) for the purchase of a piece of freehold development land. The amount is unsecured, repayable in three equal annual instalments and will be fully paid in 2024.

Included in current other payables is an amount due to a joint venture partner of RM212,000 (2020: RM212,000). This amount is unsecured and is repayable in accordance to the terms of the joint venture, subject to the consent by both parties to the joint venture.

(ii) The non-current deposits received represent amounts due to tenants for the rental of premises of a subsidiary and such deposits are refunded in accordance with the tenancy agreements.

(iii) Accruals are mainly consist of accrued property development costs.

(iv) Included in provisions is an amount of RM91.0 million (2020: RM76.4 million) representing provision for low cost housing projects.

(v) Liquidity risk of the other liabilities excluding provisions is disclosed in Note 1.8(a).

(vi) Currency exposure profile of the other liabilities excluding provisions is disclosed in Note 1.8(b)(ii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.21 CONTRACT LIABILITIES AND DEFERRED INCOME

This note provides information about the outstanding contract liabilities and deferred income to be recognised. The contract liabilities of properties development and construction activities should be read in conjunction with Note 3.13 in relation to contract assets.

	Note	Group	
		2021 RM'000	**2020 RM'000**
Non-current			
Contract liabilities in relation to vacation club membership fee received		**85,453**	92,796
Deferred income in relation to capital financing fee received		**1,453**	1,167
Total non-current		**86,906**	93,963
Current			
Contract liabilities in relation to:			
- excess of progress billings to property purchasers over revenue recognised	3.13(b)(i)	**12,940**	16,672
- excess of progress billings to customers over construction cost incurred plus profit accrued	3.13(b)(ii)	**-**	3,554
- vacation club maintenance fee received		**402**	424
- vacation club membership fee received		**5,932**	6,191
Deferred income in relation to capital financing fee received		**4,246**	3,937
Total current		**23,520**	30,778
Total		**110,426**	124,741
Carrying amount analysed by business segments:			
Property		**12,940**	16,672
Construction		**-**	3,554
Hospitality		**91,787**	99,411
Financial Services & Investment Holding		**5,699**	5,104
		110,426	124,741

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.21 CONTRACT LIABILITIES AND DEFERRED INCOME (CONT'D)

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 been billed to the customers. For property development activities, contract liabilities are recognised in the statement of financial position as excess of progress billings to purchasers over the cumulative revenue recognised. For construction contracts, contract liabilities are excess of progress billings to customers over the construction costs incurred plus profit accrued. Contract liabilities include the down payments of vacation club membership fees received from customers where the Group has billed or has collected the payment before the services are provided to the customers. Contract liabilities are recognised as revenue in the statement of profit or loss when the performance obligations are satisfied.

Deferred income in relation to capital financing fee received represents unamortised fee income and is recognised based on effective interest method.

3.22 SHARE CAPITAL

This note provides information about the issued and fully paid share capital and warrants of the Company.

		Group and Company			
		2021		2020	
	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		**2,095,301**	**2,095,311**	2,095,300	2,095,310
Issued pursuant to exercise of Warrants C 2015/2020		**-**	**-**	1	1
At the end of the year	3.23	**2,095,301**	**2,095,311**	2,095,301	2,095,311

(a) Recognition and measurement

Ordinary shares of the Company are recognised in the statement of financial position upon issuance of new ordinary shares to holders. The ordinary shares are classified as equity and recorded at fair value of consideration received.

(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 previous 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.22 SHARE CAPITAL (CONT'D)

(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.

On 22 July 2020, being the expiry date of Warrants C 2015/2020, a total 356,575,952 unexercised Warrants C 2015/2020 had 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 had no financial impact to the Group.

The main features of Warrants C 2015/2020 were 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 was 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

(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 were 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.23 TREASURY SHARES

This note provides information about the share buybacks of the Company.

		Group and Company			
		2021		2020	
	Note	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At cost					
At the beginning of the year		**33,197**	**43,226**	23,464	35,636
Share buybacks	(b)	**-**	**-**	9,733	7,590
At the end of the year		**33,197**	**43,226**	33,197	43,226
Total number of outstanding ordinary shares in issue	1.7	**2,062,104**		2,062,104	
Total number of issued and fully paid ordinary shares	3.22	**2,095,301**		2,095,301	

(a) Recognition and measurement

When the Company repurchases its own equity share capital which is measured at cost being the consideration paid including any directly attributable incremental external costs. These costs are recognised in the statement of financial position as part of equity attributable to the Owner of the Company and classified 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 treasury shares are distributed as dividends, the cost of the treasury shares which distributed is applied in the reduction of the distributable retained profits. When repurchased shares are subsequently reissued by resale in the open market, any difference between the resale price and the carrying amount of the repurchased shares is accounted as a movement in reserves in the statement of changes in equity, as appropriate.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.23 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
2021					
At the beginning/end of the year	**33,197**	**2.82**	**0.75**	**1.30**	**43,226**
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

There were no share re-issuance, cancellations, resale and buybacks for the current year. During the previous year, the Company repurchased 9,733,400 shares from the market at an average price of RM0.78 per unit by using internally generated funds.

(c) Other information

On 18 December 2000, the Shareholders of the Company 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.24 RESERVES

This note provides details of each item in reserves.

		Group		Company	
	Note	2021 RM'000	2020 (Restated) RM'000	2021 RM'000	2020 RM'000
Revaluation reserve	(a)	**63,451**	63,451	**-**	-
Foreign currency translation reserves	(b)	**13,702**	19,704	**-**	-
Hedging reserves	(c)	**(1,386)**	(3,457)	**-**	-
Other reserves	(d)	**24,120**	164,855	**-**	-
		99,887	244,553	**-**	-
Retained profits		**3,316,068**	3,000,350	**1,247,513**	1,148,402
		3,415,955	3,244,903	**1,247,513**	1,148,402

(a) Revaluation reserve

	Group	
	2021 RM'000	2020 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 formerly owned 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 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 Company or the foreign operation. Foreign currency translation reserves include share of foreign currency translation reserves of associates arising from equity accounting.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.24 RESERVES (CONT'D)

(c) Hedging reserves

Hedging reserves comprise cumulative net change in fair value of cash flow hedge instruments as disclosed in Note 3.12.

(d) Other reserves

Other reserves consist of share of other reserves of associates as follow:

	Group	
	2021 RM'000	**2020 RM'000**
Fair value through other comprehensive income reserve ("FVOCI")	**931**	144,173
Others	**23,189**	20,682
	24,120	164,855

FVOCI reserves represent the cumulative gains and losses arising from the revaluation of (i) investment in equity instruments designated as 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 or loss reclassified to the statement of profit or loss upon disposal or reclassification out from FVOCI investments.

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES

This section provides additional information on the Group's significant events that have occurred during the year, related party disclosures, commitments and contingency.

4.1 SIGNIFICANT EVENTS DURING THE YEAR

Significant events consist of the changes in composition of the Group during the year as disclosed in Note 3.3(b).

4.2 MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events from the end of the year and ending on the date of this report.

Recognition and measurement

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES

This note provides information for related party disclosures which outlines how the related parties are identified and the amounts of transactions that have been entered into with related parties during the year.

(a) Identification of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 and the party are subject to common control. Related parties may be individuals or other entities.

The Group's related parties include subsidiaries (Note 3.3), associates and a joint venture (Note 3.4), the ultimate holding company, OSK Equity Holdings Sdn. Bhd. and companies related to Directors and major Shareholders of the Company. 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.

(b) Key management personnel's compensation

		Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors:					
Executive					
Other benefits#		**6,473**	9,100	**3,826**	5,287
Estimated money value of benefits-in-kind		**127**	139	**89**	92
Total short-term employee benefits		**6,600**	9,239	**3,915**	5,379
Post-employment benefits					
- Defined contribution plan		**819**	1,073	**575**	691
Total compensation for Executive Directors		**7,419**	10,312	**4,490**	6,070
Non-Executive					
Fees - current year		**312**	280	**312**	280
Other benefits#		**72**	80	**72**	80
Total compensation for Non-Executive Directors		**384**	360	**384**	360
Total compensation for Directors	2.4(b)	**7,803**	10,672	**4,874**	6,430
Other key management personnel:					
Short-term employee benefits		**8,621**	9,837	**1,941**	2,130
Estimated money value of benefits-in-kind		**124**	119	**25**	25
Total short-term employee benefits		**8,745**	9,956	**1,966**	2,155
Post-employment benefits					
- Defined contribution plans		**1,067**	1,238	**291**	316
Total compensation for other key management		**9,812**	11,194	**2,257**	2,471
Total compensation for key management		**17,615**	21,866	**7,131**	8,901

 # Other benefits included salaries, bonus, allowances, social security costs and employment insurance scheme.

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(c) Directors' remuneration

The Directors' remuneration included in administrative expenses as disclosed in Note 4.3(b) where other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme, 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
2021								
Executive Directors								
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	1,650	27	1,677	1,306	6	1,312	2,989
Ong Ju Yan	-	1,940	29	1,969	-	-	-	1,969
Ong Ju Xing	-	-	-	-	1,585	32	1,617	1,617
Dato' Saiful Bahri bin Zainuddin	-	811	33	844	-	-	-	844
Total Executive Directors' Remuneration	-	4,401	89	4,490	2,891	38	2,929	7,419
Non-Executive Directors								
Dato' Thanarajasingam Subramaniam	70	19	-	89	-	-	-	89
Datin Azalina binti Adham	32	7	-	39	-	-	-	39
Leong Keng Yuen	75	15	-	90	-	-	-	90
Wong Wen Miin	35	9	-	44	-	-	-	44
Ong Yee Ching	65	12	-	77	-	-	-	77
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	35	10	-	45	-	-	-	45
Total Non-Executive Directors' Remuneration	312	72	-	384	-	-	-	384
Total Directors' Remuneration	312	4,473	89	4,874	2,891	38	2,929	7,803

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(c) Directors' remuneration (Cont'd)

The Directors' remuneration included in administrative expenses as disclosed in Note 4.3(b) where other benefits included salaries, bonus, allowances, employees provident fund, social security costs and employment insurance scheme, 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
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								
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	70	22	-	92	-	-	-	92
Dato' Thanarajasingam Subramaniam	70	22	-	92	-	-	-	92
Leong Keng Yuen	75	18	-	93	-	-	-	93
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

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 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 3.3 and 3.4 respectively. The following table provides the total amount of transactions that have been entered into with subsidiaries, associates and a joint venture for the relevant year.

	Group			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with associates and a joint venture	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
RHB Bank Berhad group of companies				
RHB Bank Berhad				
Interest income	**463**	288	**-**	-
Office rental income	**844**	844	**-**	-
Interest expense	**(14,936)**	(16,499)	**-**	-
Bank balances and short-term funds	**-**	-	**94,093**	16,602
Borrowings	**-**	-	**(190,500)**	(194,902)
Medium term notes and Sukuk	**-**	-	**(289,000)**	(191,825)
RHB Asset Management Sdn. Bhd.				
Funds distribution income	**6,723**	5,066	**-**	-
Short-term funds	**-**	-	**409,381**	349,850
RHB Islamic Bank Berhad				
Interest expense	**(8,364)**	(10,046)	**-**	-
Bank balance and short-term fund	**-**	-	**1,151**	782
Sukuk	**-**	-	**(212,971)**	(262,971)
Agile PJD Development Sdn. Bhd.				
Rental income	**176**	298	**-**	-

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SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 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 3.3 and 3.4 respectively. The following table provides the total amount of transactions that have been entered into with subsidiaries, associates and a joint venture for the relevant year. (Cont'd)

	Company			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with subsidiaries	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
OSK Capital Sdn. Bhd.				
Management fee income	**3,065**	3,725	**-**	-
OSK Capital Management Sdn. Bhd.				
Interest expense	**-**	(502)	**-**	-
Amount due to a subsidiary	**-**	-	**-**	(2,700)
OSK I CM Sdn. Bhd.				
Administrative expense	**(138)**	(437)	**-**	-
Interest expense	**(11,927)**	(14,437)	**-**	-
Amount due to a subsidiary	**-**	-	**(263,317)**	(410,365)
OSK Management Services Sdn. Bhd.				
Management fee expense	**(883)**	(1,027)	**-**	-
OSK Rated Bond Sdn. Bhd.				
Interest expense	**(7,633)**	-	**-**	-
Amount due to a subsidiary	**-**	-	**(326,325)**	-
OSK Realty Sdn. Bhd.				
Dividend income	**5,000**	-	**-**	-
Office rental expense	**(1,749)**	(1,766)	**-**	-
OSK Property Holdings Berhad group of companies				
OSK Property Holdings Berhad				
Dividend income	**17,282**	46,661	**-**	-
Management fee income from:				
Aspect Synergy Sdn. Bhd.	**2,710**	3,578	**-**	-
OSK Properties Sdn. Bhd.	**1,374**	1,269	**-**	-
Perspektif Vista Sdn. Bhd.	**190**	202	**-**	-
Potensi Rajawali Sdn. Bhd.	**412**	542	**-**	-
Wawasan Rajawali Sdn. Bhd.	**128**	228	**-**	-

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 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 3.3 and 3.4 respectively. The following table provides the total amount of transactions that have been entered into with subsidiaries, associates and a joint venture for the relevant year. (Cont'd)

	Company			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with subsidiaries (Cont'd)	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
PJ Development Holdings Berhad group of companies				
PJ Development Holdings Berhad				
Dividend income	**102,024**	76,518	**-**	-
Management fee income from:				
Olympic Cable Company Sdn. Bhd.	**1,095**	1,827	**-**	-
PJD Central Sdn. Bhd.	**1,377**	927	**-**	-
PJD Eastern Land Sdn. Bhd.	**318**	326	**-**	-
PJD Realty Sdn. Bhd.	**220**	547	**-**	-
PJD Regency Sdn. Bhd.	**1,463**	583	**-**	-
PJD Sejahtera Sdn. Bhd.	**119**	219	**-**	-
Transactions and balances with an associated group of companies				
RHB Bank Berhad group of companies				
RHB Bank Berhad				
Dividend income	**93,009**	115,759	**-**	-
Interest expense	**(1,876)**	(9,455)	**-**	-
Bank balances	**-**	-	**807**	1,239
Medium term notes	**-**	-	**-**	(191,825)
RHB Asset Management Sdn. Bhd.				
Funds distribution income	**715**	182	**-**	-
Short-term funds	**-**	-	**67,063**	9,743

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 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)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dindings Consolidated Sdn. Bhd. group of companies				
Dindings Design Sdn. Bhd.				
Renovation income	**485**	-	**-**	-
Dindings Consolidated Sdn. Bhd.				
Office rental income	**648**	648	**-**	-
DC Services Sdn. Bhd.				
Insurance premium expense	**(381)**	(729)	**-**	-
Dindings Design Sdn. Bhd.				
Renovation costs	**(234)**	(719)	**-**	-
Dindings Life Agency Sdn. Bhd.				
Insurance premium expense	**(440)**	(363)	**-**	-
Sincere Source Sdn. Bhd.				
Insurance premium expense	**(1,655)**	(1,845)	**-**	-

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 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) 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)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Legal fee expenses	**(535)**	(781)	**-**	-

(iii) 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)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	**159**	313	**-**	-

(iv) Puan Sri Khor Chai Moi

The spouse of Tan Sri Ong Leong Huat @ Wong Joo Hwa.

	Group			
	Income		Amount due from/(to)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Progress billing on sale of properties	**276**	277	**-**	-

(f) Ultimate holding company

The Company does not have any related party transactions or outstanding balances with OSK Equity Holdings Sdn. Bhd., the Company's ultimate holding company during the year.

SECTION 5: COMMITMENTS, CONTINGENCIES AND LITIGATIONS

5.1 COMMITMENTS

This note outlines financial commitment of the Group. 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.

(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 3.6.

The Group has entered into non-cancellable lease arrangements on certain properties classified under (i) property, plant and equipment; and (ii) investment properties with third parties. The Group has aggregated future minimum lease receivables (undiscounted lease payment to be received) as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Up to 1 year	**18,761**	20,488
Later than 1 year and not later than 5 years	**28,461**	17,572
More than 5 years	**78,833**	31,223
	126,055	69,283
Operating leases commitments analysed by business segments:		
Property	**125,446**	68,892
Hospitality	**609**	391
	126,055	69,283

(b) Capital commitments

	Group	
	2021 RM'000	**2020 RM'000**
Contracted but not provided for:		
- Acquisition of land held for property development	**-**	135,643
- Acquisition of office equipment and software licences	**2,193**	776
- Acquisition of property, plant and equipment	**-**	1,440
- Factory expansion	**-**	124
- Investment property under construction	**-**	14,500
- Professional fee	**37**	887
- Renovation costs	**21,575**	2,570
	23,805	155,940
Capital commitments analysed by business segments:		
Property	**-**	150,143
Industries	**115**	2,179
Hospitality	**21,914**	3,618
Financial Services & Investment Holding	**1,776**	-
	23,805	155,940

SECTION 5: COMMITMENTS, CONTINGENCIES AND LITIGATIONS (CONT'D)

5.2 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 and the Company do not recognise contingent assets/liabilities but discloses its existence, if any, where inflows/outflows of economic benefits are probable, but not virtually certain.

5.3 MATERIAL LITIGATIONS

Since the date of the last annual report, the Group and the Company were 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 and the Company 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 and the Company.

SECTION 6: FINANCIAL REPORTING STANDARDS

The accounting policies and significant judgments as shown in the respective notes form an overall basis of preparation that the Directors consider is relevant in understanding these financial statements. This section provides a summary of other significant accounting policies including adoption of the amendments to published standards and interpretation to the existing MFRSs and standards issued by MASB that are applicable during the year; and standards that have been issued but not yet adopted by the Group.

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR

(a) 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 financial year beginning on 1 January 2021:

(i) Interest Rate Benchmark Reform - Phase 2

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 adoption of the above amendments to MFRSs do not have any significant financial impact to the Group's financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2021

SECTION 6: FINANCIAL REPORTING STANDARDS

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR (CONT'D)

(a) 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 financial year beginning on 1 January 2021: (Cont'd)

(ii) IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23")

The IFRS Interpretations Committee ("IFRIC") concluded in March 2019 that, in the fact pattern described in the submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development, whether the entity has a qualifying asset as defined in IAS 23 'Borrowing Costs' and thus capitalises any directly attributable costs:

- 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.

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. As such, the Group has applied the requirements for the change in accounting policy in accordance to MFRS 101 'Presentation of Financial Statements' by making retrospective restatement of items in financial statements.

The effects of the adoption of this IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows:

	As previously reported RM'000	Effect of adoption of IFRIC IAS 23 RM'000	As restated RM'000
Statement of Financial Position as at 1.1.2020			
Assets:			
Non-current - Deferred tax assets	93,891	432	94,323
Current - Inventories	355,129	(2,297)	352,832
Total Assets	8,367,430	(1,865)	8,365,565
Equity:			
Retained profits	2,743,327	(1,793)	2,741,534
Reserves	2,929,789	(1,793)	2,927,996
Non-controlling interests	73,986	(72)	73,914
Total Equity	5,063,449	(1,865)	5,061,584

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2021

SECTION 6: FINANCIAL REPORTING STANDARDS (CONT'D)

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR (CONT'D)

(a) 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 financial year beginning on 1 January 2021: (Cont'd)

(ii) IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23) ("IFRIC IAS 23") (Cont'd)

The effects of the adoption of this IFRIC IAS 23 for the Group on the financial statements as at 1 January 2020 and 31 December 2020 are as follows: (Cont'd)

	As previously reported RM'000	Effect of adoption of IFRIC IAS 23 RM'000	As restated RM'000
Statement of financial position as at 31.12.2020			
Assets:			
Non-current - Deferred tax assets	68,134	(925)	67,209
Current - Inventories	252,050	3,538	255,588
Total Assets	8,642,672	2,613	8,645,285
Equity:			
Retained profits	2,997,781	2,569	3,000,350
Reserves	3,242,334	2,569	3,244,903
Non-controlling interests	69,386	44	69,430
Total Equity	5,363,805	2,613	5,366,418
Statement of Profit or Loss for the financial year ended 31.12.2020			
Cost of sales	(688,755)	10,031	(678,724)
Finance costs	(47,075)	(4,196)	(51,271)
Profit before tax	410,832	5,835	416,667
Tax expense	(67,816)	(1,357)	(69,173)
Profit after tax	343,016	4,478	347,494
Profit attributable to:			
Owners of the Company	339,342	4,362	343,704
Non-controlling interests	3,674	116	3,790
Earnings per share attributable to Owners of the Company (sen):			
Basic/Diluted	16.40	0.21	16.61

SECTION 6: FINANCIAL REPORTING STANDARDS (CONT'D)

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR (CONT'D)

(b) 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 financial year beginning on 1 April 2021:

Amendment to MFRS 16 'Leases' - COVID-19 - Related Rent Concessions beyond 30 June 2021

This amendment extends the applicable period of the practical expedient introduced in 2020, by providing relief for lessee in assessing whether the rent concessions occurred as a direct consequence of COVID-19 is considered to be lease modification. A lessee that applied the practical expedient shall treat these rent concessions as if they are not lease modifications. The amendment in Year 2020 covered the rental concession up to 30 June 2021, by one year to cover rent concessions in relation to COVID-19 that reduce lease payments up to 30 June 2022.

The Group continues to adopt the Amendment to MFRS 16 with election to apply the practical expedient to all rent concession received that meet the conditions. Accordingly, the Group recognised rent concession received in the statement of profit or loss.

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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:

(a) For financial year beginning on/after 1 January 2022

(i) 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 replace the Framework for Preparation and Presentation of financial statements with the Conceptual Framework for Financial Reporting upon recognition of assets and liabilities at the date of recognition.

The Conceptual Framework for Financial Reporting defines a liability as 'a present obligation of the entity to transfer an economic resource as a result of past events'. For a provision or contingent liability, the acquirer shall determine whether at the acquisition date a present obligation exists as a result of past events. A present obligation identified might meet the definition of a contingent liability.

In addition, MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' defines a liability as 'a present obligation of the entity to transfer an economic resource as a result of past events'. For a provision or contingent liability, the acquirer shall determine whether at the acquisition date, a present obligation exists as a result of past events. A present obligation identified might meet the definition of a contingent liability.

(ii) 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 of both (a) the incremental costs of fulfilling that contract such as direct labours and materials; and (b) an allocation of other costs that relate directly to fulfilling contracts such as an allocation of depreciation for an asset used in fulfilling the contract.

SECTION 6: FINANCIAL REPORTING STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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)

(a) For financial year beginning on/after 1 January 2022 (Cont'd)

(iii) Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'

These amendments prohibit an entity from net proceeds of any items produced while bringing an item of assets to that location and condition necessary for it to be capable of operating such as samples produced when testing, 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 the statement of profit or loss.

(iv) Annual Improvements to MFRS Standards 2018-2020 Cycle

The annual improvements are as follows:

(1) Amendment to MFRS 9 'Financial Instruments'

The amendment clarifies the fee a borrower includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. Such fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

For derecognition of financial liabilities, if the discounted (using original effective interest rate) present value of the cash flows under the new terms is at least 10 percent more than the discounted present value of the remaining cash flows of the original financial liability, it is considered as substantial modification and MFRS 9 requires borrower to derecognise original financial liability and recognise a new financial liability.

(2) Amendment to Illustrative Examples accompanying MFRS 16 'Leases'

The amendment deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives. These Illustrative Examples accompany, but are not part of MFRS 16.

(3) Amendment to MFRS 141 'Agriculture'

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in respect of a biological asset or agriculture produce in MFRS 141 with those in other MFRS Standards.

The adoption of these amendments is not expected to have material financial impact to the Group.

SECTION 6: FINANCIAL REPORTING STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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)

(b) For financial year beginning on/after 1 January 2023

(i) Amendments to MFRS 101 'Presentation of Financial Statements' (Classification of Liabilities as Current or Non-current)

These amendments clarify the requirements for classification of liabilities as current or non-current. A liability is to be classified as a current liability when an entity does not have the right at the end of the reporting period to defer its settlement of the liability for at least twelve months after the reporting period.

(ii) Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS Practice Statement 2 (Disclosure of Accounting Policies)

These amendments replace "significant accounting policies" with "material accounting policy information" under the definition of a complete set of financial statements; and clarify that accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

(iii) Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' (Definition of Accounting Estimates)

The amendments to MFRS 108 revises the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

(iv) Amendments to MFRS 112 'Income Taxes' (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The amendments to MFRS 112 specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts companies from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability.

The amendments clarifies that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. Such clarification is expected to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The adoption of these amendments is not expected to have material financial impact to the Group.

SECTION 6: FINANCIAL REPORTING STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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)

(c) Standard deferred to a date to be determined by MASB

Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Venture' (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

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

If a parent loses control of a subsidiary that does not contain a business, as defined in MFRS 3 Business Combinations, as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction (including the amounts previously recognised in statement of comprehensive income that would be reclassified to the statement of profit or loss) is recognised in the parent's statement of profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment in that associate or joint venture.

In addition, if the parent retains an investment in the former subsidiary and the former subsidiary is now an associate or a joint venture that is accounted for using the equity method, the parent recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its statement of profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remaining part of that gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

If the parent retains an investment in the former subsidiary that is now accounted for in accordance with MFRS 9 as investment, the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in the former subsidiary is recognised in full in the parent's statement of profit or loss.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The amendments apply prospectively and are effective for annual periods beginning on or after 1 January 2016, however, the effective date is being deferred.

The adoption of these amendments is not expected to have material financial impact to the Group.

LIST OF GROUP'S **TOP 10 PROPERTIES** AS AT 31 DECEMBER 2021

	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	721.36 acres	29 January 1996	N/A	402,195
2.	SS 22 Damansara Jaya, Petaling Jaya, Selangor Darul Ehsan	Shopping mall and car park	Freehold	5.47 acres	6 July 2007	7 years	374,013
3.	Jalan Ampang, Kuala Lumpur	Property development	Freehold	1.40 acres	30 October 1996	N/A	294,527
4.	Iringan Bayu, Mukim Rantau, Daerah Seremban, Negeri Sembilan Darul Khusus	Property development	Freehold	303.07 acres	8 January 2016	N/A	292,406
5.	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Property development	Freehold	22.77 acres	27 November 2019	N/A	176,619
6.	Seksyen 13, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Property development	Leasehold	15.38 acres	11 July 2019	N/A	169,033
7.	Plaza OSK, Jalan Ampang, Kuala Lumpur	Office building	Freehold	1.32 acres	30 December 1993	37 years	149,394
8.	Mukim Setapak, Kuala Lumpur	Property development	Freehold	10.07 acres	23 April 2018	N/A	134,164
9.	Iringan Bayu 2, Mukim Rantau, Daerah Seremban, Negeri Sembilan Darul Khusus	Property development	Freehold	859.68 acres	30 March 2021	N/A	98,798
10.	Damai Laut Country Resort, Mukim of Lumut, District of Dindings, Perak Darul Ridsuan	Resort	Freehold and leasehold (expiring on 8 June 2094)	345.38 acres	1990	N/A	84,064

STATEMENT OF DIRECTORS' INTERESTS

AS AT 28 FEBRUARY 2022

	Number of Ordinary Shares			
Name of Directors	**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	926,600[2]	0.04
4. Ong Yee Ching	13,185,470	0.64	-	-
5. Leong Keng Yuen	318,608	0.02	221,869[3]	0.01

Shareholdings of Director In Related Corporations

	Number of Ordinary Shares			
Name of Director & Related Corporations	**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[4]	97.22
OSK Property Holdings Berhad	-	-	345,639,965[4]	99.93

Notes:

[1] Deemed interested pursuant to Section 8 of the Companies Act 2016 ("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 Wing Foong Holdings 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 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 28 February 2022.

STATEMENT OF **SHAREHOLDINGS**

AS AT 28 FEBRUARY 2022

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	3,451	14.90	137,708	0.01
100 – 1,000	2,109	9.11	831,646	0.04
1,001 – 10,000	11,098	47.92	51,155,366	2.48
10,001 – 100,000	5,556	23.99	165,894,176	8.04
100,001 – 103,105,198*	940	4.06	791,174,979	38.37
103,105,199 and above**	4	0.02	1,052,910,105	51.06
	23,158	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 28 FEBRUARY 2022

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)	24,010,200	1.16
9.	RHB Nominees (Tempatan) Sdn. Bhd. - OSK Equity Holdings Sdn. Bhd.	22,079,850	1.07
10.	Khor Chei Yong	21,000,000	1.02
11.	Dato' Nik Mohamed Din bin Datuk Nik Yusoff	21,000,000	1.02
12.	Ong Ju Yan	19,737,550	0.96
13.	Ong Yin Suen	15,489,876	0.75
14.	Toh Ean Hai	13,250,000	0.64
15.	DB (Malaysia) Nominnee (Asing) Sdn. Bhd. - Exempt AN for Deutsche Bank AG Singapore (MAYBANK SG PWM)	12,742,189	0.62
16.	Cartaban Nominees (Tempatan) Sdn. Bhd. - Exempt AN for LGT Bank AG (Local)	12,300,000	0.60
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 28 FEBRUARY 2022

30 LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Ordinary Shares	%
21. Cartaban Nominees (Asing) Sdn. Bhd. - SSBT Fund J724 for SPDR S&P Emerging Markets ETF	9,813,342	0.48
22. Tan Yu Yeh	9,175,300	0.44
23. Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	7,517,767	0.36
24. RHB Nominees (Tempatan) Sdn. Bhd. - Wong Chong Shee	7,175,450	0.35
25. Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (AMUNDI)	7,150,000	0.35
26. Lock Kai Sang	6,943,675	0.34
27. Citigroup Nominees (Asing) Sdn. Bhd. - CBNY for Dimensional Emerging Markets Value Fund	6,761,305	0.33
28. Amanahraya Trustees Berhad - Public SmallCap Fund	6,497,400	0.32
29. Chinchoo Investment Sdn. Berhad	6,489,690	0.31
30. Tan Eng Heng	5,699,700	0.28

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 32nd Annual General Meeting of the Company will be held on a virtual basis via Remote Participation and Voting at the broadcast venue at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 April 2022 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 2021 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 4.0 sen per share in respect of the financial year ended 31 December 2021.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees to the Non-Executive Directors of the Company for the period from 22 April 2022 until the next Annual General Meeting of the Company.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' benefits up to an amount of RM146,000 to the Non-Executive Directors of the Company for the period from 22 April 2022 until the next Annual General Meeting of the Company.	**Ordinary Resolution 3**
5.	To re-elect the following Directors who retire by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offer themselves for re-election:	
	a) Mr. Ong Ju Yan	**Ordinary Resolution 4**
	b) Dato' Thanarajasingam Subramaniam	**Ordinary Resolution 5**
6.	To re-elect the following Directors who retire in accordance with Clause 105 of the Company's Constitution and being eligible, offer themselves for re-election:	
	a) Datin Azalina binti Adham	**Ordinary Resolution 6**
	b) Ms. Wong Wen Miin	**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 at such price 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 FURTHER 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 AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 10**

"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;

OSK

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."

10. 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 4.0 sen per ordinary share for the financial year ended 31 December 2021, if approved by the shareholders at the 32nd Annual General Meeting, will be payable on 13 May 2022 to shareholders whose names appear in the Register of Members or Record of Depositors on 26 April 2022.

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 2022 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 2022 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)
LIM LIH CHAU (LS0010105/ SSM PC NO.: 201908001454)
Company Secretaries

Kuala Lumpur
23 March 2022

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 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 www.sshsb.net.my. Please read carefully and follow the procedures provided in the Administrative Notes available for download at www.oskgroup.com/agm 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 2022 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.

OSK

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 eservices@sshsb.com.my.

(b) By Electronic Form of Proxy
  (i) To be submitted electronically via Securities Services e-Portal at www.sshsb.net.my. Please refer to the Administrative Notes available for download at 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 and 3 – Directors' Fee 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 28 February 2022 agreed that the proposed Directors' fee and benefits payable to the Non-Executive Directors are the same as in the previous year 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 2022, being the day after the 32nd Annual General Meeting until the next Annual General Meeting and other benefits.

Non-Executive Directors who are shareholders of the Company will abstain from voting on these Resolutions concerning their own remuneration at the 32nd Annual General Meeting.

(c) Ordinary Resolutions 4, 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 Directors, namely Dato' Thanarajasingam Subramaniam, Datin Azalina binti Adham and Ms. Wong Wen Miin). The Nomination and Remuneration Committee and the Board are satisfied with the performance and effectiveness of Mr. Ong Ju Yan, Dato' Thanarajasingam Subramaniam, Datin Azalina binti Adham and Ms. Wong Wen Miin who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 32nd Annual General Meeting.

Their profiles which consist of their age, academic qualification, date of appointment, experience and directorships in other listed companies, are set out in the Annual Report 2021.

(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 21 April 2021 ("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 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 2021, the Company's retained profits amounted to RM1,248 million.

Please refer to the Share Buy-Back Statement dated 23 March 2022 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 32nd Annual General Meeting of the Company to be held on a virtual basis via Remote Participation and Voting at the broadcast venue at Board Room, 22nd Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 April 2022 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 2021 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 4.0 sen per share in respect of the financial year ended 31 December 2021.		
3.	Ordinary Resolution 2 - To approve the payment of Directors' fees to the Non-Executive Directors for the period from 22 April 2022 until the next Annual General Meeting of the Company.		
4.	Ordinary Resolution 3 - To approve the payment of Directors' benefits up to an amount of RM146,000 to the Non-Executive Directors of the Company for the period from 22 April 2022 until the next Annual General Meeting of the Company.		
5(a).	Ordinary Resolution 4 - To re-elect Mr. Ong Ju Yan who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
5(b).	Ordinary Resolution 5 - To re-elect Dato' Thanarajasingam Subramaniam who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
6(a).	Ordinary Resolution 6 - To re-elect Datin Azalina binti Adham who retires in accordance with Clause 105 of the Company's Constitution and being eligible, offers herself for re-election.		
6(b).	Ordinary Resolution 7 - To re-elect Ms. Wong Wen Miin who retires in accordance with Clause 105 of the Company's Constitution and being eligible, offers herself 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 Renewal of Share Buy-Back Authority.		

Signed this __________ day of ____________, 2022

____
Signature of Shareholder(s)
(if the shareholder is a corporation, this part should be executed under seal)

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PERSONAL DATA PROTECTION POLICY

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 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

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