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

OSK

MOVING FORWARD, PROGRESSING TOGETHER.

INTEGRATED ANNUAL REPORT 2023

WELCOME TO

OSK

INTEGRATED
ANNUAL REPORT 2023

Moving Forward, Progressing Together.

RATIONALE

In the face of dynamic global challenges and evolving business landscapes, OSK Holdings Berhad ("OSK") and its subsidiaries ("OSK Group" or "the Group") stands as a testament to resilience, adaptability, and forward-thinking, marking over five decades of unwavering commitment.

Our theme, "Moving Forward, Progressing Together." encapsulates our steadfast dedication to propelling positive change, nurturing sustainable growth, and cultivating shared value for all stakeholders. As we reflect on our journey, it becomes evident that our strength lies not only in facing challenges head-on but also in our collaborative approach to progress.

Through this Integrated Annual Report 2023, we invite you to delve into our achievements, milestones, and strategic initiatives that have defined the past year. As we celebrate our legacy, we embrace the opportunities ahead and remain committed to fostering sustainable growth and creating lasting value for our diverse stakeholders. Thank you for joining us on this journey of resilience, innovation, and collective progress. Together, we move forward, always progressing towards a brighter future.

This Integrated Annual Report is available at
www.oskgroup.com

About This Report

Dear Stakeholders,

We are pleased to present Integrated Annual Report for the financial year ended 31 December 2023 ("IAR2023"). In line with Integrated Reporting principles, the report includes information on the financial and non-financial performances of the Group during the financial year ended 31 December 2023 ("FY2023"). IAR2023 is prepared in compliance with Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the Companies Act 2016 ("CA2016") in Malaysia. The report is intended to provide stakeholders with a clear articulation of various risks and opportunities, our mitigation strategies, and approaches to value creation over the short, medium, and long term. We believe that this holistic approach to reporting aligns with our commitment to transparency, accountability, and our ongoing journey towards sustained growth.

SCOPE AND BOUNDARY

This 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 2023 until 31 December 2023, unless otherwise stated. All financial statements have been made in accordance with the requirements of the Companies Act 2016 ("CA2016"), MFRS, and the IFRS. The content of this IAR2023 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

Our integrated reporting process, as well as the contents of this report, are guided by the Listing Requirements of Bursa Securities and requirements of the International <IR> Framework, the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad, CA2016, and the Malaysian Code on Corporate Governance ("MCCG"). All financial statements have been prepared in accordance with the requirements of the CA2016 and the MFRS as well as certain disclosure principles and concepts under the International Integrated Reporting Frameworks.

MATERIALITY

Information disclosed is relevant to our material matters, which have been determined by stakeholders' engagement as well as internal evaluation. These material matters reflect existing and emerging risks and opportunities, which could affect our ability to create value in the short, medium and long term business and financial performance.

COMBINED ASSURANCE

Contents and the report development process are supported by robust internal controls and governance practices. Assurance for this report is provided by our management, internal auditors and Board of Directors ("Board"), supported by BDO PLT on the verification of financial and selected non-financial information.

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, with words like 'believe,' 'anticipate,' 'intend,' 'plan,' 'endeavour,' and similar expressions, are used to reflect our judgments, opinions, and expectations during the preparation of this report, we want to note that multiple factors, including emerging risks, uncertainties, and disruptions, may potentially affect the intended outcome and differ materially from our expectations. These factors may include causes or events that could adversely affect our business and financial performance.

TARGET AUDIENCE

Our IAR2023 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.

BOARD RESPONSIBILITY STATEMENT

The Board of OSK acknowledged its responsibility to present a balanced and comprehensive Integrated Annual Report based on good governance practices and guided by the IFRS Accounting Standards and the relevant statutory reporting standards.

FEEDBACK

OSK Group is committed to continuously improve our reporting and we value our stakeholders' views, insights, and feedback. Should you have any enquiry or feedback on this report, please contact us at info@oskgroup.com.

CROSS REFERENCES

- This icon indicates where more information can be found on our website at www.oskgroup.com/

Plaza OSK, Jalan Ampang Kuala Lumpur

INTEGRATED ANNUAL REPORT

CONTENT

IAR2023 provides a comprehensive overview of the Group's performance, Corporate Governance Statements, milestones and achievements as well as demonstrates how we create value and balance the needs of all its stakeholders for the financial year ended 31 December 2023 ("FY2023"), and its outlook for the financial year ending 31 December 2024 ("FY2024").

FRAMEWORKS AND GUIDELINES

- International Integrated Reporting Framework (IIRF) of the International Integrated Reporting Council (IIRC)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad

SUSTAINABILITY REPORT

CONTENT

This Report covers information and updates relating to the Group's sustainability performance for FY2023, unless otherwise stated.

FRAMEWORKS AND GUIDELINES

Principal Guidelines

- Main Market Listing Requirements by Bursa Malaysia Securities Berhad
- United Nations Sustainable Development Goals ("UNSDGs")
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide (3rd Edition) and Enhanced Sustainability Reporting Framework by Bursa Malaysia Securities Berhad

Additional Guidelines

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


OSK
BANK OF CHINA
TOKIO MARINE

34th

ANNUAL GENERAL MEETING

Virtual Meeting Platform:
Securities Services e-Portal
(https://sshsb.net.my/)

Broadcast Venue:
Main Auditorium,
11th Floor, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur,
Wilayah Persekutuan.

Thursday, 18 April 2024

10.00 a.m.


Swiss-Garden Hotel & Residence Genting Highlands

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Leadership Insights

Executive Chairman's Letter to Stakeholders

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
Executive Chairman

Dear Stakeholders,

In review, 2023 stands out as a year of challenging recovery. The global landscape faced persistent challenges that affected both communities and businesses. Nevertheless, I am pleased to present that the Group achieved positive performance across multiple facets of our operations, characterised by resilient financial growth, infrastructure modernisation and expansion, and significant progress towards our long-term vision.

Beyond this, the Group maintained a steadfast focus on fortifying our resilience and elevating our capacity to generate sustained value. Our commitment to our long-term strategy continues to be the driving force that has enabled us to push through challenges and capitalise on opportunities to deliver our targets.

Amidst the uncertainties faced by businesses, our commitment to enhancing the Group's financial performance continued while ensuring the well-being of our stakeholders remained our foremost priority. We continue to uphold the creation of sustainable value in all that we do for both our stakeholders and the communities where we operate.

CREATING VALUE FOR OUR STAKEHOLDERS

Our journey in FY2023 is rooted to creating value for our shareholders, customers, business partners, employees, and the broader community into every aspect of the Group's five core business segments.

In our steadfast dedication to delivering value to stakeholders, our goal as a property developer is to offer fairly priced and comfortable homes, creating environments where buyers can build their lives and foster family well-being.

In the realm of hospitality, we envision our hotels and vacation clubs as desirable getaway destinations with high quality facilities and services which will enable our guests to create joyful memories with friends and family during their stay.

Our Cables Division continue to play a vital role in delivering power to homes and businesses, and contribute to the rapidly growing solar energy and data center markets.

Concurrently, our precast concrete wall panels provide a practical and affordable Industrialised Building System ("IBS") solution for developers, facilitating faster and more efficient development construction at an affordable price. Furthermore, our building solutions are a greener solution compared to conventional building methods.

In our financial services arm, we have the capacity to provide funding to segments of the market that are underserved in both Malaysia and Australia, indirectly contributing to the growth of the communities in which we operate.

Beyond our valued stakeholders, the Group remains committed to the well-being of our employees ("OSKers"). OSK Group's ability to achieve our long-term vision relies on the commitment and competence of OSKers, who play a key role in the growth of the Group. By investing in our talent, we ensure the Group recruit the right individuals for the right roles to meet our business objectives. This commitment involves continuously equipping OSKers with new skills, knowledge, and adaptability, enabling them to stay ahead in a rapidly evolving market.

TOTAL DIVIDEND

7.0 sen

(FY2022: 6.0 sen)

DIVIDEND PAYOUT RATIO

31%

(FY2022: 29%)

Executive Chairman's Letter to Stakeholders

"We have been honoured with GOLD awards at the prestigious National Annual Corporate Report Awards ("NACRA") 2023 for the second consecutive year."

Lastly, in recognition of our shareholders, who have stood by us during the most challenging times, we are pleased to propose a final dividend of 4.0 sen* per share (FY2022: 4.0 sen), bringing the total dividend for FY2023 to 7.0 sen (FY2022: 6.0 sen). The Group's dividend payout increased to 31% (FY2022: 29%).

BUILDING A SUSTAINABLE COMMUNITY FOR THE FUTURE

Each year, we dedicate ourselves to contributing to various causes that significantly impact our local communities, focusing on underserved women, the *Orang Asli* community, differently-abled children and young adults, and the B40 group. These philanthropic efforts are spearheaded through OSK Foundation ("OSKF").

In the year 2023, we take pride in sharing the noteworthy contributions made by OSKF. These initiatives represent a tangible expression of our dedication to making a positive difference in the lives of those who need assistance the most.

In this regard, OSKF has disbursed RM2.1 million throughout the year to support a diverse array of philanthropic initiatives. Our commitment to making a positive impact is reflected in strategic partnerships and collaborations with esteemed organisations such as the National Kidney Foundation, the Alzheimer's Disease Foundation Malaysia, Women's Institute of Management ("WIM"), SUKA Society, Malaysia Collective Impact Initiative ("MCII"), various welfare homes, and numerous other Non-Governmental Organisations ("NGOs") across Malaysia. These collaborations underscore our dedication to fostering positive change and contributing to the well-being of communities nationwide.

Over the past seven (7) years, our commitment to uplifting the lives of the underserved extended to empowering a group of aspiring women entrepreneurs and rural entrepreneurs. Our approach involved sharing our business knowledge, leveraging our networks, and providing digital expertise to foster growth and sustainability.

Continuing our dedication to education and nation-building, we maintained our sponsorship of the Orang Asli pre-schools in Kg. Pos Musuh, Tapah, Perak, and Kg. Kalampun, Keningau, Sabah, through the "Empowered 2 Teach" initiative. This initiative includes support for Orang Asli teachers' training, reinforcing our commitment to educational advancement in marginalised communities.

Our ongoing efforts in nation-building and education were further exemplified through the OSK Foundation Scholarship Awards. This program underscores our steadfast commitment to the Malaysian education landscape. Additionally, we collaborated with numerous partners to inspire innovation among students, particularly in Science, Technology, Engineering, and Mathematics ("STEM") subjects in local schools. These initiatives collectively reflect our unwavering dedication to fostering positive change and making meaningful contributions to society.

Further cementing our commitment to best practices in sustainability initiatives reporting and communications, we received the Corporate Social Responsibility ("CSR") and Sustainability Leadership Awards at the Sustainability and CSR Award 2023. In short, the Group's ethos goes beyond making profits. We embrace the responsibility of catalysing socio-economic development and environmental well-being. More information on our community and environmental efforts can be found in our Full Online Edition of the Sustainability Report 2023.

COMMITMENT TO INTEGRITY AT HEART

At the core of the Group's values lie integrity, transparency, and accountability, serving as the three pillars that uphold standards of behaviour and conduct for our employees at OSK. We are very committed to strong governance, going beyond mere adherence to rules and regulations.

Our commitment to integrity is exemplified through the establishment of a clear decision-making hierarchy in the Group, comprising management committees, a tender committee, a Group EXCO and several board committees. This clear authority matrix is designed to facilitate more informed collective decisions, particularly in areas involving significant investment matters.

The Group has implemented mechanisms necessitating that key decisions involve the input of multiple voices within committees, avoiding reliance on a single perspective. We believe that the sharing of differing opinions from various team members with different perspectives can help us to make more well-informed decisions. This approach is important not only for the effectiveness of decision-making but also for the enduring sustainability of our organisation.

* *Note: Dividend per share of 7.0 sen for FY2023 comprises a single-tier interim dividend of 3.0 sen per share and proposed single-tier final dividend of 4.0 sen per share. The proposed final dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting.*

Executive Chairman's Letter to Stakeholders

OSKF has disbursed RM2.1 million throughout the year to support a diverse array of philanthropic initiatives.

The Board remains committed to upholding good governance and the highest standards of integrity. We have robust governance frameworks in place and strive to ensure that these frameworks stay relevant amidst a constantly changing landscape. We continuously push for greater levels of transparency, responsibility, and accountability, aware of the fact that governance is a key contributor to the value-creation process.

In recognition of our strong commitment to upholding high standards of corporate governance, accountability, transparency, and the disclosure of information to our stakeholders, as well as maintaining a high level of excellence in integrated corporate reporting, we have been honoured with GOLD awards at the prestigious National Annual Corporate Report Awards ("NACRA") 2023 for the second consecutive year.

A more comprehensive overview of our corporate governance practices can be found in the Commitment to Good Corporate Governance section of this Integrated Annual Report.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to express our sincere gratitude to our shareholders, employees, customers, regulators, government authorities, business partners, bankers, and the media—all of whom have been instrumental contributors to our ongoing success.

Recognising that the backbone of our achievements lies within our dedicated team, I wish to express my deepest appreciation to each and every team member of the OSK Group. Without their dedication and hard work, we would not have gained the stability and strength necessary to sustain our growth journey. Together, I trust we will continue to demonstrate our capabilities and deliver better results and a brighter future for all our stakeholders.

A heartfelt thank you goes out to our valued shareholders, who have placed their trust in our business, our people, and our potential for delivering results. With your support, we remain resolute in our commitment to creating value for both shareholders and all our other stakeholders alike.

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
Executive Chairman

Dear Valued Stakeholders,

As we look back on the business landscape of 2023, it reflects a blend of challenges and achievements, underscoring a year characterised by a complex global economic landscape, ongoing geopolitical tensions, the implementation of monetary policy adjustments to combat inflation, and the possible threat of worldwide economic deceleration.

Despite operating under challenging conditions in FY2023, the Group delivered a strong set of results through the careful, disciplined execution of our long-term strategies for each of our businesses.

From the Desk of Our Group Managing Director

ONG JU YAN
Group Managing Director

REVIEW OF OPERATING ENVIRONMENT IN FY2023

How would you describe the operating environment for the Group and our business during the financial year 2023?

In the financial year 2023, the dominant factors that influenced our businesses were the increase in building costs and the tightening of interest rates. These two factors are interlinked, as central banks around the world raised interest rates to combat rising inflation. The inflationary environment had a direct impact on costs across all our businesses as we had to contend with higher wage expenses and higher cost of materials. Concurrently, higher inflation drove up borrowing costs, which impacted the capability of homebuyers to purchase properties, both in Malaysia and Australia.

The Group financial results were very encouraging and surpassed our financial targets for the year. Our Total Revenue and Profit Before Tax ("PBT") grew by 20% and 14% year-on-year ("YoY"), reaching RM1.6 billion and RM555.1 million respectively. We achieved a Return on Equity ("ROE") of 7.91%, compared to 7.61% in FY2022.

In line with global monetary tightening measures, Malaysia's Overnight Policy Rate ("OPR") increased from 2.75% in November 2022 to 3.00% in May 2023 and it has since remained unchanged. Despite the heightened interest rate environment, the Group's Property Development Division in Malaysia demonstrated resilience, supported by stable take-up rates. The Division's effective unbilled sales is RM1.2 billion, with minimal unsold completed stock.

To sustain our project pipeline, the Group's total land bank of 1,977 acres holds an estimated effective Gross Development Value ("GDV") of RM15.1 billion, with land parcels located in Malaysia and Australia.

In Australia, we successfully launched Stage 2 of our flagship mixed development, Melbourne Square ("MSQ"), in Southbank, Melbourne, known as BLVD, in April 2023. The latest offerings of MSQ comprise approximately 591 units of high-rise apartments in a single tower. The sales for BLVD have been very encouraging and to date, around 50% of the units have been sold. Beyond selling the newly launched off-the-plan units, the division will continue to focus on selling the remaining completed residential units in Stage 1 of MSQ.

In addition to the launch of BLVD, the Group has announced by way of media release a joint venture to develop a Build-to-Rent ("BTR") property with GURNER™ and Qualitas ("GQ"). This collaboration with GQ signifies the next evolution of our Australian business, enhancing the offering at Melbourne Square and maximising the potential of our existing portfolio.

Moving to our Industries Segment, 2023 reflected a robust performance from both Olympic Cables and Acotec. The Group's Industries Segment were strengthened by increased demand from both local and export markets.

The Cables and IBS Divisions are committed to actively exploring new market opportunities and implementing strategic measures to enhance profit margins through improved production efficiency, as well as the implementation of measures for raw material procurement and waste control. Going forward, the Group anticipates that our Industries Segment will continue to grow, and we believe that this business can become another strong pillar for OSK Group.

As for the financing business covering Capital Financing and Civil Servant Financing, the business continues to contribute significantly to the Group, recording a 49% YoY increase in revenue, reaching RM171.1 million, along with a corresponding 36% YoY rise in PBT to RM85.1 million. This strong growth in revenue and PBT are derived from our increased loan portfolio, which amounted to RM1.7 billion during the period under review. This achievement underscores the division's effective management and strategic market positioning, showcasing our ability to capitalise on opportunities and deliver robust financial results.

> Our Total Revenue and PBT grew by 20% and 14% YoY, reaching RM1.6 billion and RM555.1 million respectively.

From the Desk of Our Group Managing Director

What are the key factors that have played a significant role in our achievements, encompassing challenges and strategies, and how are we effectively adapting to these changes?

The Group places a heavy emphasis on maintaining a healthy balance sheet and evaluates opportunities with a disciplined risk-adjusted returns approach in mind. We also emphasise on continuously driving operational improvements across all our business units and support functions. This approach is important to us as we operate in business segments that have significant financial and operational risks.

As we execute our long-term strategies for the Group, we have to consistently maintain a disciplined approach to balance sheet management and investing, and keep driving for operational improvements to ensure that we remain competitive in the market.

How is the Group addressing ESG agenda to ensure long-term value creation?

In response to the evolving Environmental, Social, and Governance ("ESG") landscape, the Group has strategically embraced initiatives that align with sustainable practices, ensuring long-term value creation. Our commitment to ESG is deeply embedded in our corporate culture and business strategies.

In 2023, the Group continued to achieve a milestone in environmental responsibility. We actively integrated ecosystems and biodiversity values into project planning and development processes, aligning with local and global policies and frameworks on biodiversity, such as those outlined by the International Union for Conservation of Nature ("IUCN") at Iringan Bayu Wetland Park.

Our commitment to green infrastructure is evident in the installation of rooftop solar on most of our properties, and in the implementation of Electronic Vehicle ("EV") Charge stations at Plaza OSK and Atria Shopping Gallery. Furthermore, our Construction and Industries Segments prioritise sustainability in infrastructure projects, incorporating eco-friendly practices and materials to minimise environmental impact.

Our pursuit of governance excellence remains unwavering. Throughout 2023, the Group continued to fortify its governance framework, emphasising transparency, accountability, and ethical business practices. Efforts to enhance diversity at both the Board and organisational levels have been ongoing, recognising the inherent value of diverse perspectives in effective decision-making.

These achievements not only align with global ESG standards but also underscore our proactive stance in contributing to a sustainable and responsible future. By addressing the ESG agenda, the Group aims to create enduring value for all stakeholders and effectively navigate the evolving landscape of responsible business practices.

POST PANDEMIC ADAPTATION

How has the Group adapted to the post pandemic business environment in term of embracing innovation and technology, and what lesson have been learned from the experience?

The Pandemic taught us that business disruption can come from the most unexpected sources. The lockdowns in Malaysia and Australia restricted access to our workplaces, and the supply chain disruptions globally had a direct impact on our businesses.

Arising from this experience, we have further strengthened our organisation's capability to function in the face of disruptions. This involves strengthening our IT infrastructure to equip our employees to work remotely, and ensuring that we have sufficiently robust cybersecurity systems in place to protect our Information Technology ("IT") systems.
We have also taken proactive steps to re-evaluate our supply chain, and made efforts to strengthen and broaden our sources of supply so that we can mitigate any future disruptions of a similar nature.

The positive side to the acceleration of digitalisation in our processes and services is that we are able to automate more of our workflow and improve our customer experience. Over the last three years, the Group has implemented several significant IT projects across various business units. These projects include implementation of Property Development Digital Ecosystem, Quality Management System for Construction and Loan Origination and Loan Management System for Civil Servant Financing Business.

These lessons are not short-term; we consider them the foundation of our ongoing commitment. The Group is resolute in our pursuit of building an institution that is not only resilient but also progressive.

From the Desk of Our Group Managing Director

ANYA at Shorea Park, Puchong

OUTLOOK

What is in Store in 2024?

We believe that the healthy financial performance of the Group in FY2023 is a validation that we are moving in the right direction. As I have shared, OSK Group has a clear, long-term strategy in place, and we are committed to work hard to achieve it. Along the way, we are sure to encounter challenges that may set us back temporarily. But we remain steadfast in ensuring that the Group continues to move in the desired direction to achieve our vision.

In this regard, we are entering FY2024 on a strong footing. Our balance sheet is healthy, and we have sufficient capital to support the growth plans for our Property, Financial Services and Industries businesses.

Our Group's operational capability has also grown stronger through the years as we continued to develop our existing workforce through the deepening of our collective experience through our daily work and through investments in effective learning and growth programs. Our products and services have gained further loyalty and support among our customers as we strive to meet and hopefully exceed their expectations.

At a more granular level, our Property Segment has a healthy pipeline of project launches and healthy unbilled sales of RM1.2 billion. The Capital Financing Division has started to grow meaningfully in Australia and in the consumer finance space in Malaysia, adding on to the strong base of business we have built in the capital financing business in Malaysia. Olympic Cables has invested in capacity expansion, and we expect the new machines to be commissioned this year. Acotec has seen sustained demand for our Acobuilt system as more and more developers in Malaysia start to recognise that this is a cost-effective and proven IBS solution that can help them save costs and deliver their homes in a shorter time.

A significant portion of the upgrading of our hospitality assets should be completed in FY2024, which puts us in a good position to hopefully grow our occupancy and rates across our hotels. Each business unit has a clear long-term plan in place, which we will continue to execute carefully.

As we embark on the next chapter of our long-term journey, we would like to extend our heartfelt gratitude to our shareholders, customers, business partners, bankers and members of our dedicated team. Your unwavering support has been the cornerstone of our success. We will continue to work hard to bring our Group to greater heights together.

ONG JU YAN
Group Managing Director

Iringan Bayu, Seremban

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Overview of OSK Group

Investment Case

2023 Performance Snapshots

FINANCIAL HIGHLIGHTS

Revenue
RM1.6 billion
(FY2022: RM1.3 billion)

Dividend per share:
7.0 sen
(FY2022: 6.0 sen)

PBT
RM555.1 million
(FY2022: RM485.1 million)

Dividend Yield:
5.65%
(FY2022: 6.22%)

Total Assets:
RM10.4 billion
(FY2022: RM9.7 billion)

Net Gearing Ratio (times)
0.41
(FY2022: 0.41)

Shareholders' Funds:
RM6.1 billion
(FY2022: RM5.7 billion)

Net Debts:
RM2.5 billion
(FY2022: RM2.3 billion)

Net Assets per Share:
RM2.97
(FY2022: RM2.76)

ROE
7.91%
(FY2022: 7.61%)

BUSINESS HIGHLIGHTS

Property Development

To sustain our project pipeline, the Group's total land bank of **1,977 acres** holds an estimated effective GDV of **RM15.1 billion**, with land parcels located in Malaysia and Australia

Total unbilled property sales remained strong at
RM1.2 billion
(FY2022: RM1.0 billion)

Upheld Quality Excellence in Our Products

Maintained high QLASSIC scores for the homes we built:

- Iringan Bayu Township: 80% Erama; 80% Gitaran
- Bandar Puteri Jaya Township: 83% Northfield Zone 3, 82% Southfield Villa Zone 1, 83% Southfield Residence Z1 and Z2 84% Westfield Zone 3B, 86% Eastfield Zone 1

Financial Services

Capital Financing Portfolio of
RM1.7 billion
(FY2022: RM1.4 billion)

Malaysia Portfolio:
RM1.3 billion
(FY2022: RM1.1 billion)

Australia Portfolio:
RM465 million
(FY2022: RM318 million)

Cables

Total cable sales in
FY2023 of 20,745 km
(FY2022: 17,777 km)

IBS

Total wall panels sales in
FY2023 of 1,218,309 m^2
(FY2022: 838,465 m^2)

Olympic Cable Company, Melaka

Investment Case

2023 Performance Snapshots

SUSTAINABILITY HIGHLIGHTS

Inauguration of Sustainability Committee, signifying a pivotal moment in our dedication to advancing sustainability within the Group.

OSK Foundation Scholarship Programme
Since inception of programme in 2021, awarded scholarship to 27 deserving students

Revision of Sustainability Policy, serving as the foundation for integrating sustainability values into operational agendas and decision-making processes

Employee Training Hours 28,990 hours covering all levels of employees

Aligned to **12** SUSTAINABLE DEVELOPMENT GOALS

Carbon Emissions
Scope 1: 39,839.5 metric tonne CO_2e
Scope 2: 21,265.9 metric tonne CO_2e
Scope 3: 3,145.7 metric tonne CO_2e

Gender Diversity **33.3%** female at Board level, **33.3%** female at Key Senior Management

Maintained a **0% workplace fatal injury rate**

Social Investment in B40 Communities **RM2.1 million,** focusing on community-based initiatives

Continued investment in renewable energy infrastructure, reaching a total solar capacity of **1.89MWp,** at 6 sites.

AWARDS AND RECOGNITIONS

OSK Group

Excellence Awards NACRA 2023 (Gold)

- Companies with less than RM2 Billion in the Market Capitalisation

Sustainability and CSR Malaysia Awards 2023

- Company of the Year Award (Conglomerated for Community Well-Being Initiative)

OSK Property

The Star Property Awards (4 Awards in May-2023)

- Star Property Awards – All-Stars Award – Listed Top 10 (No. 6)
- ANYA at Shorea Park – Family Centric Award (Merit)
- Rubica - The Northern Star Award (High-Rise) (Merit)
- LEA by The Hills – The Skyline Award (Honours)

ILAM Malaysia Landscape Architecture Award

- Iringan Bayu Wetland Park – Developer Category – Landscape Award (Honour)

The Edge Best Managed and Sustainable Property Awards

- Plaza OSK – Above 10 years: Non-strata Office Category (Bronze)

The Edge Malaysia Top Property Developers Awards 2023

- Ranked 11th

Malaysia Developer Awards

- No. 2 in Top-of-the-Charts Awards Top 10 for Market Cap RM1 Billion and Above

Swiss-Garden International

- Johor Tourism Board: Best Hotel under 3-Star Category for Holiday Inn Express and Suites Johor Bahru
- Luxury Lifestyle Awards 2023: Best Luxury Family Beach Resort for DoubleTree by Hilton Damai Laut
- Travellers' Choice Award for DoubleTree by Hilton Damai Laut
- Ministry of Tourism, Art, and Culture Malaysia: Asian Green Hotel Standard (2024-2026) National Level for DoubleTree by Hilton Damai Laut
- 2023 Top Performing Hotel Groups by Booking.com for Swiss-Garden International.

SGI Vacation Club

- 2023 Booking.com Travelers Awards (8.7)

Who We Are

BRIEF PROFILE OF OSK GROUP

OSK differentiates ourselves in being at the forefront of innovation, and in delivering products and services that are 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 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 1,544 ("OSKers") 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.

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.

VALUES

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 AND RESPECT

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

INTEGRITY

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

PEOPLE DRIVEN

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

What We Do: Core Business Segments and Highlights

PROPERTY

PROPERTY DEVELOPMENT

- Completed over 40,000 homes
- Ranked 11th in the Edge Malaysia Top Property Developers Awards 2023

PROPERTY INVESTMENT

- Retail mall and office/ commercial buildings across Peninsular Malaysia
- 1.6 million sq ft net lettable area

CONSTRUCTION

- Experienced builder in High-Rise and Low-Rise developments
- "Class A" and "G7" contractor

FINANCIAL SERVICES AND INVESTMENT HOLDINGS

- 10.24% strategic equity investment in RHB Bank Berhad
- Financing portfolio of RM1.7 billion

HOSPITALITY

HOTELS

- 6 hotels, inclusive of self-owned and managed assets with over 1,900 keys
- 1 golf club

VACATION CLUBS

- Properties located in Damai Laut, Kuala Lumpur, Kuantan and Melaka
- More than 7,000 members

INDUSTRIES

IBS

- Leading Malaysian Precast IBS Wall Panel Manufacturer
- Developed AcoLite, lightweight IBS wall panel with recycled material inputs

CABLES

- Leading power cables producer
- 20,744 km total production in 2023

What Differentiates Us

01 Leading property developer in Malaysia with minimal unsold completed units and a prudent business expansion strategy.

02 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.

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

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

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

06 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.

LEA by The Hills, Taman Melawati

03

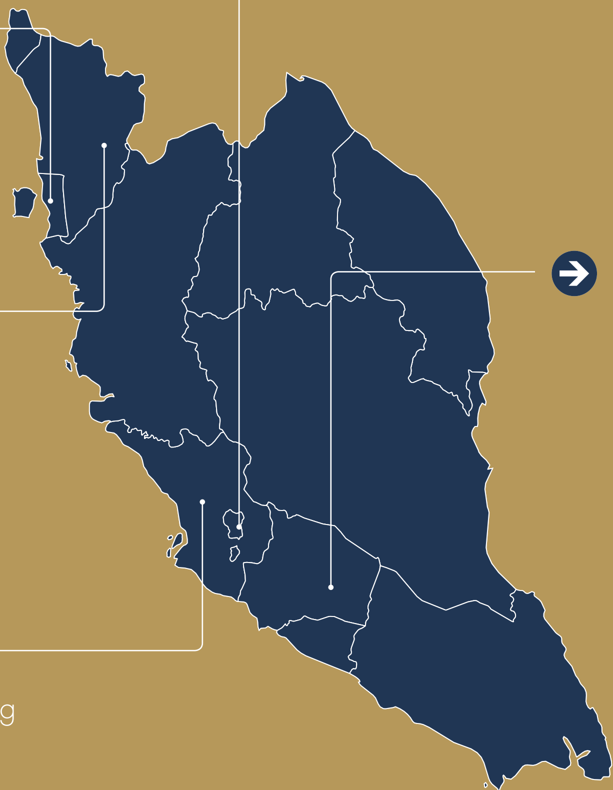
Our Portfolio of Accomplishments

Our Presence: Where We Operate

Legends:

1 Property Development
2 Property Investment
3 Construction
4 ACOTEC
5 Cables
6 Financial Services
7 Hotels
8 Vacation Club

Property Segment: On-going Projects



KUALA LUMPUR

LEA by The Hills

GDV: RM233 million

PENANG

Rubica @ Harbour Place, Butterworth

GDV: RM137 million

NEGERI SEMBILAN

Iringan Bayu, Seremban (Township)

GDV: RM778.2 million

KEDAH

Bandar Puteri Jaya, Sungai Petani (Township)

GDV: RM576.8 million

SELANGOR

MIRA @Shorea Park, Puchong

GDV: RM366 million

ANYA @Shorea Park, Puchong

GDV: RM393 million

YouCity III, Cheras

GDV: RM492.3 million

MELBOURNE, AUSTRALIA

Melbourne Square

Stage 2 BLVD (High-rise apartment)

GDV: AUD650 million

Corporate Structure

As at 21 February 2024

OSK

OSK Holdings Berhad

- RHB Bank Berhad^ 10.24%
- OSK Almal Sdn. Bhd. 100%
- 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 Fintech Sdn. Bhd. 100%
  - Lyte Malaysia Sdn. Bhd. 51%
  - OSK eCapital Sdn. Bhd. 100%
- OSK Mumawal Sdn. Bhd. 100%
- OSK Syariah Capital Sdn. Bhd. 100%
- OSK Academy Sdn. Bhd. 100%
- OSK Capital Management Sdn. Bhd. 100%
- OSK Design Sdn. Bhd. 100%
- OSK I CM 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%
  - Astana Harmoni Sdn. Bhd. 100%
  - Atria Damansara Sdn. Bhd. 100%
  - Country Wheels Sdn. Bhd. 51%
  - Harta Harmoni Sdn. Bhd. 100%
  - Jelang Vista Sdn. Bhd. 100%
  - Mori Park Sdn. Bhd. 100%
- OSK Rated Bond Sdn. Bhd. 100%
- OSK RE Sdn. Bhd. 100%
- OSK Supplies Sdn. Bhd. 100%
- KE-ZAN Holdings Berhad 100%
- OSK Realty Sdn. Bhd. 100%

- OSK Amanjaya Sdn. Bhd. 100%
- OSK Properties Sdn. Bhd. 100%
- OSK Properties (Seremban) Sdn. Bhd. 100%
- OSKP Facilities Management Sdn. Bhd. 100%
- Perspektif Vista Sdn. Bhd. 100%
- Potensi Rajawali Sdn. Bhd. 100%
- Ribuan Ekuiti Sdn. Bhd. 100%
- Rimulia Sdn. Bhd. 55%
- Semponia Sdn. Bhd. 51%
- Warisan Rajawali Sdn. Bhd. 100%
- Wawasan Rajawali Sdn. Bhd. 100%
- Atria Parking Management Sdn. Bhd. 100%
- Atria Shopping Gallery Sdn. Bhd. 100%
- OSK Properties Management Sdn. Bhd. 100%
- Pine Avenue Sdn. Bhd. 100%

- Ancient Capital Sdn. Bhd. 100%
- Bindev Sdn. Bhd. 100%
- Bunga Development Sdn. Bhd. 100%
  - Kulai Management Services Sdn. Bhd. 100%
- Harbour Place Management Services Sdn. Bhd. 100%
- HTR Management Services Sdn. Bhd. 100%
- Kota Mulia Sdn. Bhd. 100%
  - PJD Highland Resort Sdn. Bhd. 100%
  - PTC Management Services Sdn. Bhd. 100%
- PJD Central Sdn. Bhd. 100%
- PJD Eastern Land Sdn. Bhd. 100%
- PJD Hartamas Sdn. Bhd. 100%
  - Agile PJD Development Sdn. Bhd.^ 30%
- PJD Land Sdn. Bhd. 100%

Legend:

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

^ Associate * Joint Venture

- PJ Development Holdings Berhad 97.31%
  - 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%
  - OCC Cables Berhad 100%
    - PJ Exim Sdn. Bhd. 100%
  - Olympic Cable Company Sdn. Bhd. 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. 99.64%
    - 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%
  - Olympic Properties 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%

Timurbay Seafront Residence, Kuantan

04

Value Creation at OSK Group

Our Value Creation Model

OUR CAPITAL...

...ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

INPUTS

Financial Capital

- Total assets: RM10.4 billion (FY2022: RM9.7 billion)
- Shareholders' funds: RM6.1 billion (FY2022: RM5.7 billion)
- Net Gearing: 0.41 times (FY2022: 0.41 times)

Manufactured Capital

- 1,977 acres of land bank in Malaysia and Australia
- 1.6 million sq. ft. net lettable area
- Capital financing portfolio: RM1.7 billion
- Strategic equity stake of 10.24% in RHB Banking Group
- 4 factories (1 Cables factory in Melaka; 3 IBS factories – 1 in Perak, 1 in Negeri Sembilan and 1 in Johor)
- 6 hotels and 1 golf club across Malaysia

Intellectual Capital

- 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

Human Capital

- Employees: 1,544
- Investment in Training: RM735,293

Social and Relationship Capital

- Philanthropic disbursement through OSKF of RM2.1 million in FY2023

Natural Capital

- Electricity consumption: 39,493 MWh
- Installation of rooftop solar at 6 sites
- Water consumption: 709 megalitres

Strategic Focus Area

- Deliver Sustainable Growth
- Affordability and Quality
- Enhancing User and Customer Experience
- Joint-Venture ("JV") and Partnership Development
- Enhance Property Value Creation
- Market Expansion
- Operational Efficiency
- New Innovation and Project Development
- Upholding High Standards

Sustainability Strategic Pillars

- Driving Value Creation
- Caring for the Environment
- Elevating Societal Well-being
- Championing Responsible Governance

Material Matters

- **Driving Value Creation**
  - Sustainable Return
  - Digitalisation and Innovation
  - Responsible Supply Chain
  - Quality Products and Customer Satisfaction
- **Caring for the Environment**
  - Environment and Climate Action
  - Resource Efficiency and Responsible Consumption
- **Elevating Societal Well-being**
  - Talent Management and Empowerment
  - Diversity, Equity, and Inclusion
  - Safety, Health, and Well-being
  - Community Support and Development
- **Championing Responsible Governance**
  - Governance and Regulatory Compliance
  - Data Privacy and Cyber Security

OSK

Key Risks

- Strategic Risks
- Financial Risk
- Operational Risk
- Regulatory and Compliance Risks

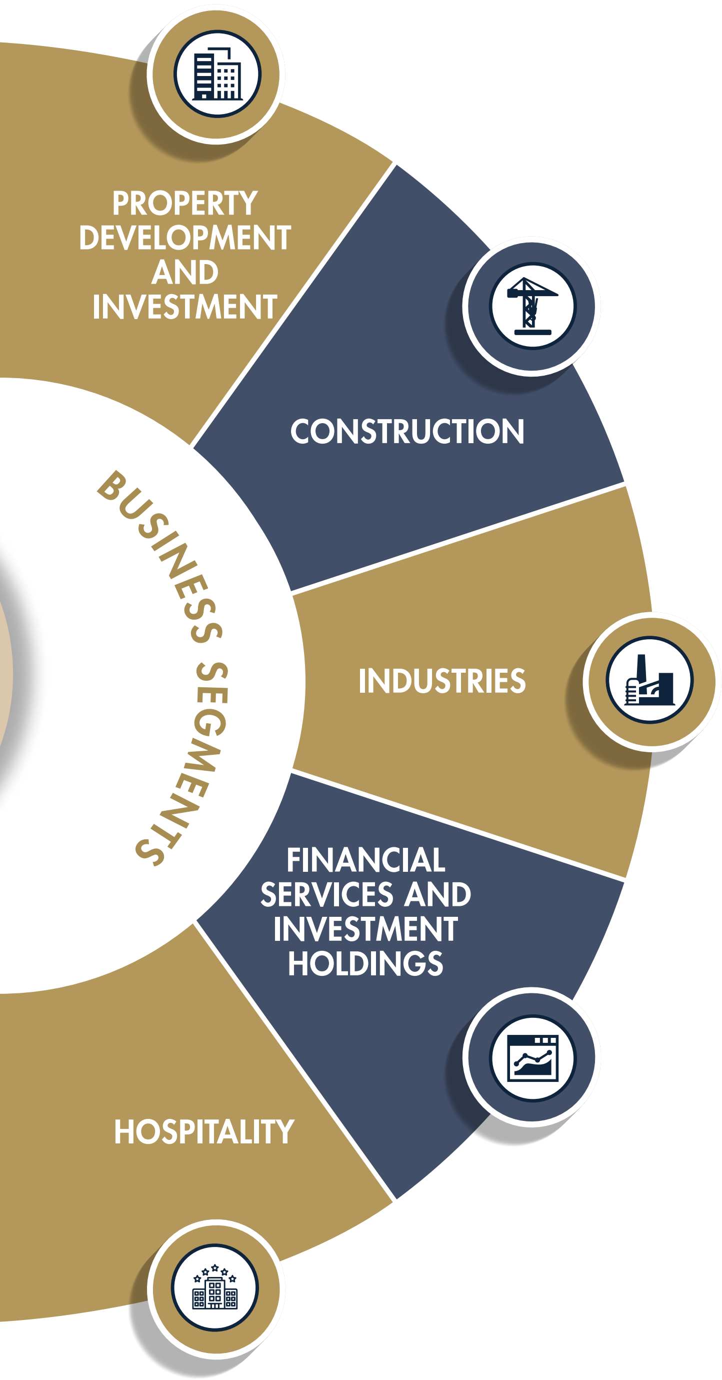
Market Trends

- Economic Uncertainties
- Commodity Markets
- Automation and Digitalisation
- Environmental Sustainability and Climate Concern

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

...VALUE FOR OUR STAKEHOLDERS.

OUTPUTS



OUTCOMES

Financial Capital

- PBT of RM555.1 million (FY2022: RM485.1 million)
- Achieved a ROE of 7.91% (FY2022: 7.61%)
- Total dividend payout: RM144.3 million (FY2022: RM123.7 million)

Manufactured Capital

- Handed over 1,942 units of residential home
- QLASSIC score above 80% for landed properties in Bandar Puteri Jaya, Sg. Petani and Iringan Bayu, Seremban
- Unbilled property sales remained strong at RM1.2 billion
- Construction order book stood at RM389.6 million (FY2022: RM460.9 million)
- Growth of loan books to RM1.7 billion (FY2022: RM1.4 billion) in Capital Financing Division

Intellectual Capital

- Implemented digital transformation:
  - Property Development Digital Ecosystem
  - Quality Management System for Construction Division
  - Loan Origination and Loan Management System for Civil Servant Financing Business

Human Capital

- 28,990 hours for training and development
- 33% of Board and Key Senior Management are women

Social and Relationship Capital

- OSKF supported 10,846 beneficiaries in FY2023, including students under OSKF scholarship programme

Natural Capital

- 1.2 million MWh total solar power generated
- Planted 10 local and IUCN species (100 trees) at Iringan Bayu, Seremban

Robust Corporate Governance Framework → We are committed to the highest standards of governance and constantly review our framework to align with stakeholders' best interest

Our Key Capitals

OSK Group is committed to building sustainable long-term business, while continuously spearheading positive impact for our customers, our shareholders, our talents, our business partners, the communities where we operate in, the marketplace and the environment.

NATURAL CAPITAL

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

FINANCIAL CAPITAL

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

SOCIAL AND RELATIONSHIP CAPITAL

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

HUMAN CAPITAL

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

INTELLECTUAL CAPITAL

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

MANUFACTURED CAPITAL

Our manufactured capital comprises tangible objects essential for producing products and services across all our business segments, including facilities and equipment. Manufacturing lines, sales galleries, and production sites are integral components of the Group's manufactured capital, providing the framework and systems that support the operational needs of our businesses.

Stakeholder Engagement and Value Creation

Stakeholders are identified as the groups and individuals significantly impacted by our business activities and those who hold a vested interest in our operations. We engage with these stakeholders through multiple channels, allowing us to collect valuable feedback and insights. This process is integral in informing and guiding our strategic decisions.

S1	S2	S3	S4	S5	S6	S7	S8	S9
Employees	Business and Industry Partners	Community	Customers Including Tenants, Shoppers and Guest	Government and Regulators	Media	Shareholders and Investors	Financier	Supply Chain Partners

EMPLOYEES S1

WHY WE ENGAGE?

OSKers form one of the most crucial capitals of OSK Group. Health and safety, skills and capability, welfare and growth of all OSKers are fundamental to OSK's performance and key to nurturing a high-performing, loyal and competitive workforce.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
High turnover rates	Retain highly skilled talents
Increased hiring and training cost	Build a positive and inclusive workplace culture

OUR APPROACH

OSK is committed to providing a safe, engaging, inclusive and stimulating work environment that encourages quality performance, high employee satisfaction and loyalty.

Stakeholder Engagement and Value Creation

BUSINESS AND INDUSTRY PARTNERS

S2

WHY WE ENGAGE?

As an established organisation with a reliable 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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Market competition	Improve our product quality and services. Build strategic alliances
Fluctuations in interest rates	Optimising financial strategy through efficient and effective funding management

OUR APPROACH

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 developments.

COMMUNITY

S3

WHY WE ENGAGE?

We create affordable, innovative and thoughtfully-designed living spaces, as well offer products and services that support community well-being and integration.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
Community engagement activities and philanthropies	Ongoing
Collaborations with NGOs, charities and social enterprises	Ongoing
Company websites and social media	Ongoing
Catalogues and brochures	Ongoing
Annual and sustainability reports	Annual
Company advertisements	As and when required

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Damage to brand and reputation	Enhancing community engagement and fostering a positive brand perception

OUR APPROACH

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 inclusiveness and well-being for the communities in which we operate.

Stakeholder Engagement and Value Creation

CUSTOMERS INCLUDING TENANTS, SHOPPERS AND GUESTS

S4

WHY WE ENGAGE?

Providing safe, innovative and high-quality products for all our customers are important for the continued success of OSK in the long run.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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 and social media	Ongoing
Residential management services	Upon project completion until formation of Joint Management Body or Management Corporation
Tenant Memos and Notices	As and when required

KEY FOCUS AREA

- Safety and health
- Customer service and experience
- Ethical marketing practices
- Brand reputation
- Confidence and trust in the Company
- Pleasant experience
- Value for money

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Loss of customer loyalty and trust	Enhance customer satisfaction and cultivate customer loyalty

OUR APPROACH

Building strong relationships and trust, as well as ensuring the satisfaction of all our customers form the foundation of everything we do. OSK strives to be a trusted partner to our customers, in line with our ethos of "Moving Forward, Progressing Together". We adopt a long-term approach in the way we conduct our business.

GOVERNMENT AND REGULATORS

S5

WHY WE ENGAGE?

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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Penalties and fines for non-compliance	Engage with regulators to ensure compliance in all regulatory aspects

OUR APPROACH

Each subsidiary is responsible to comply with all relevant regulations. We support the Government's social initiatives and place great emphasis on being an exemplary corporate citizen.

Stakeholder Engagement and Value Creation

MEDIA

S6

WHY WE ENGAGE?

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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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

KEY FOCUS AREA

- Corporate updates
- Financial performance
- Corporate governance
- Upcoming corporate developments
- Marketing and promotions
- Awards and recognition
- Partnerships and collaborations

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Penalties and fines for non-compliance	Increase transparency and open communications

OUR APPROACH

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.

SHAREHOLDERS AND INVESTORS

S7

WHY WE ENGAGE?

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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
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
Quarter financial results announcements	Quarterly
Media announcements	As and when required
Shareholder updates	As and when required
Site visits	As and when required

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Loss of shareholder/ investor trust	Active engagement with shareholder to build trust and confidence

OUR APPROACH

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.

Stakeholder Engagement and Value Creation

FINANCIER

S8

WHY WE ENGAGE?

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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
Institutional briefings, presentations or conference calls	Periodically
Annual and sustainability reports	Annual
Bursa announcements	As and when required
Media announcements	As and when required

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Higher cost of capital	Optimising financial strategy through efficient and effective funding management

OUR APPROACH

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.

SUPPLY CHAIN PARTNERS

S9

WHY WE ENGAGE?

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.

ENGAGEMENT CHANNEL AND FREQUENCY

Engagement Platforms	Frequency of Engagement
Satisfaction surveys	Ongoing
Supplier audits	Ongoing
Supplier-organised events	Ongoing
Anti-bribery and anti-corruption pledge and compliance	Ongoing

KEY FOCUS AREA

- 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

POTENTIAL RISK AND OPPORTUNITIES

Potential Risks	Opportunities
Potential supply chain disruption	Diversification of vendors and suppliers

OUR APPROACH

OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.

05

Management Discussion and Analysis

Strategic Review

Our Material Matters play a pivotal role in shaping business strategies and decisions, significantly contribute to our ability to deliver sustainable value. Conducting biennial materiality assessments since 2018, we consistently review and identify key Economic, Environmental, Social, and Governance ("E+ESG") issues crucial to our stakeholders.

In the course of the reporting year, we reassessed the Group's previously prioritised Material Matters and determined a renewed set of material matters based on their significance of potential and actual impacts to our operations, products, services, and major value chain activities.

To pursue operational excellence and organisational efficiency, prioritising sustainable returns in alignment with stakeholders' expectations.

To strive for a balanced focus on safeguarding and enhancing the well-being of the Group's employees, stakeholders, and contributing to the welfare of wider society.

To transition to environmentally responsible operations by prioritising sustainable practices, aiming to minimise environmental and climate impacts and create long-term stakeholder value.

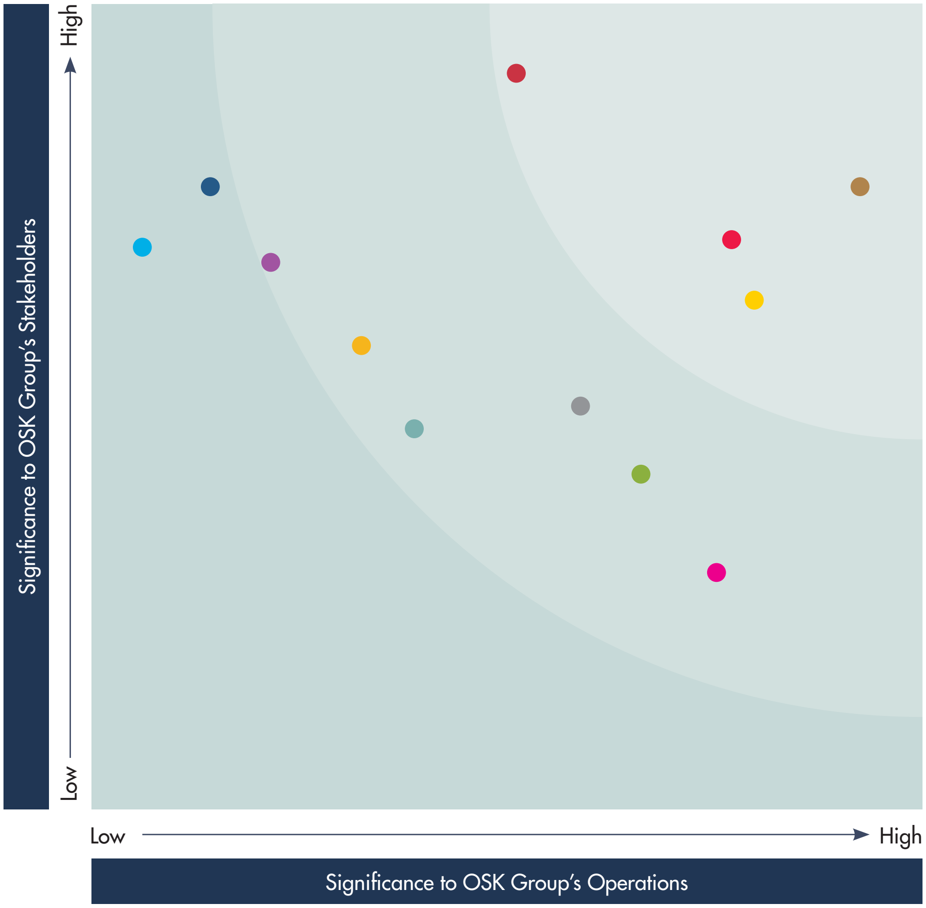
To enforce strong governance and ethical practices across the Group's operations and stakeholder engagement, ensuring decisions, policies, and actions consistently meet high standards of integrity and transparency.

Material Matter	Description and Scope	UNSDG
• Sustainable Return • Quality Product and Customer Satisfaction • Digitalisation and Innovation • Responsible Supply Chain	• Concentrate on building a resilient financial performance and fostering a thriving business environment to deliver sustainable returns aligned with stakeholder interests. • Continuously develop and deploy digital and innovative technologies to enhance efficiency, streamline business processes, boost productivity, and facilitate business growth. • Enhance customer satisfaction, deliver consistently positive experiences, and provide reliable, high-quality offerings through ongoing improvement efforts. • Advocate a sustainable value chain with responsible practices throughout, positively impacting communities and the planet.	8, 11
• Environment and Climate Action • Resource Efficiency and Responsible Consumption	• Actively protect and preserve the natural environment, conserve ecosystems, address the impacts of climate change, and drive initiatives towards a low-carbon future. • Committed to enhancing resource optimisation and responsible waste management strategies, all aimed at minimising adverse effects on the environment and society.	7, 9, 12, 13, 15
• Talent Management and Empowerment • Diversity, Equity, and Inclusion • Safety, Health, and Well-being • Community Support and Development	• Empower employees by providing resources and support to contribute unique perspectives and talents, enhancing overall satisfaction, engagement, and productivity. • Dedicated to a diverse and inclusive work environment, fostering respect, value, and fair and ethical treatment. • Prioritise and uphold the safety, health, and well-being of our employees, premises, products, and services. • Foster positive social impacts and build strong community relationships in all operational locations.	3, 4, 5, 8, 10, 11
• Governance and Regulatory Compliance • Data Privacy and Security	• Establish a strong ethical framework by upholding high standards of conduct, integrity, and strict adherence to applicable laws, regulations, guidelines, and specifications in all operations. • Prioritise implementation of robust cybersecurity measures to safeguard against potential threats and vulnerabilities while responsibly managing sensitive information and upholding the highest standards of data privacy.	5, 16

MATERIALITY ASSESSMENT

We conducted a materiality assessment to evaluate the importance of our key sustainability matters and their relevance to both internal and external stakeholders. Employing a four-step approach, we utilised an online survey to evaluate the significance of our key sustainability topics and their relevance to both internal and external stakeholders, and the results guided the creation of an updated Materiality Matrix.

This matrix has now become the cornerstone of our ESG integration efforts, offering a refreshed perspective on matters of utmost importance, aligning with the Group's strategic priorities and stakeholder expectations.



Material Matters:

Economic
- Quality Products and Customer Satisfaction
- Sustainable Return
- Digitalisation and Innovation
- Responsible Supply Chain

Environmental
- Resource Efficiency and Responsible Consumption
- Environment and Climate Action

Social
- Community Support and Development
- Diversity, Equity, and Inclusion
- Safety, Health, and Well-being
- Talent Management and Empowerment

Governance
- Governance and Regulatory Compliance
- Data Privacy and Cybersecurity

Further details on our material matters are elaborated in the Sustainability Statement section within this Integrated Annual Report, along with a comprehensive digital standalone Sustainability Report accessible on our corporate website.

Strategic Review

MARKET REPORT & OUTLOOK

Economic Review for 2023: A Global, Australian and Malaysian Perspective

In 2023, the global economy was volatile, as its trajectory was influenced by rising interest rates in bids to tackle inflation, changes in government policies and geopolitical conflicts in various regions around the world.

According to the IMF's World Economic Outlook (January 2024)[1], global growth is estimated to slow from 3.5% in 2022 to 3.1% in 2023 and projected to remain at 3.1% in 2024. Advanced economies anticipate a slowdown from 2.6% growth in 2022 to 1.6% in 2023 and further to 1.5% in 2024. This is despite healthy growth momentum in the United States with a growth expectation of 2.5% in 2023 and 2.1% in 2024, surpassing earlier projections. Meanwhile, Europe experiences growth that falls below initial expectations, with growth in Euro area expected to be at 0.5% and 0.9% for 2023 and 2024 respectively. For emerging markets and developing economies, growth was 4.1% in 2022 and is estimated to be remain at same levels in 2023 and 2024.

Australia

OSK Group operates a credit financing business in Australia and we have a joint venture with the Employees' Provident Fund of Malaysia ("EPF") to develop two property development projects in Melbourne. The economic outlook and interest rate trajectory in Australia is therefore of great importance to our business.

Australia's economy in 2023 exhibited a trend of slowing growth as factors like rising cost-of-living pressures and increasing interest rates took a toll. The GDP grew at a rate of 1.5% annually[2], the slowest since the pandemic. Despite this slowdown, the unemployment rate remained low at around 3.9%. Inflation, however, became a major concern, reaching 5.4% in the third quarter, exceeding the central bank's target range before falling to 4.1% in the fourth quarter. The Reserve Bank of Australia responded by raising interest rates to a 12-year high level, impacting borrowing costs and potentially dampening consumer spending in the future.

In terms of property prices, National Australia Bank ("NAB") Quarterly Residential Property Survey Q4 2023, indicated that property prices continue on an upward trajectory and the Index is currently at highest level since Q1 2022. Factors such as delay in obtaining planning permits and increase in construction cost is resulting in a demand/supply imbalance. The Housing Industry Australia ("HIA") is predicting fewer than 100,000 new construction projects in 2024, the lowest in about a decade. Given all these factors, NAB expects a 5% increase in property rise over 2024 and a slightly smaller gain in 2025.

The same report reported that the market share of foreign buyers in new housing markets in Q4 rose for the fifth straight quarter to a 6½ year high 11.0%. This is on the back of record migration and reports of China's post-pandemic reopening sparking a surge of foreign interest in Australian housing, with international agents reporting a rise in enquiries of over 400%.

Source:
(1) IMF World Economic Outlook Update Jan
(2) Australia Bureau of Statistics
[3] National Australia Bank Quarterly Residential Property Survey Q42023

Strategic Review

Malaysia

In Malaysia, economic conditions in 2023 reflected both the challenges and opportunities inherent in a dynamic market. The nation's GDP growth, inflation rates, and employment figures played pivotal roles in shaping the business environment.

As a conglomerate with diversified business segments, the Group is influenced by unique industry trends. From the property sector to financial services, construction, hospitality, and industries, understanding and adapting to Malaysia's specific market dynamics were crucial elements of our strategic approach.

Throughout 2023, the Group navigated challenges specific to each of our businesses, such as adapting to regulatory/Government changes, addressing supply chain disruptions, and managing currency fluctuations, which were key considerations in sustaining our operational resilience.

Amidst economic uncertainties, the Group identified and capitalised on opportunities within the Malaysian market. Engaging with emerging trends, harnessing technological advancements, and aligning with shifting consumer needs allowed us to foster innovation and drive growth. Overall, the Malaysian economy grew by 3.7% following a strong growth in the previous year of 8.7%. Growth moderated amidst challenging environment due to slower global trade, geopolitical tensions and tighter monetary policies. Exports remained soft due to prolonged weakness in external demand. According to the Department of Statistics Malaysia, the manufacturing sector in Malaysia grew marginally by 0.2% in 2023 vs 2022's growth of 15.8%. One of the key contributions of the subdued growth is driven by weakness within the electrical and electronics industry as well as commodity products.

Bank Negara Malaysia ("BNM") Governor Datuk Abdul Rasheed Ghaffour added that despite the challenging global environment, the Malaysian economy is projected to expand by 4.0% - 5.0% in 2024. Growth will continue to be driven by the expansion in domestic demand and recovery in terms of external demand. Domestic demand is expected to remain strong amid steady employment and income prospects. On the external front, International Monetary Fund ("IMF") is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. Tech upcycle coupled with improvement from the tourism sector benefitting from the visa free initiative is expected to provide support to the external demand.

On the property market front, 2023 signaled a recovery from the COVID-19 crisis after a few years of difficult market conditions. National Property Information Centre ("NAPIC") in its latest 2023 Annual report reported that total transaction volume and value for the property market increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential overhang situation improved as the number of overhang residential units in Q4 2023 (25,816 overhang units worth RM17.68 billion) reduced by 7.0% and 4.0% in volume and value respectively against Q4 2022 (27,746 overhang units worth RM18.41 billion). We are cautiously optimistic that the steady property market performance from 2023 will carry over into 2024 across most key geographical areas.

Source:
(4) NAPIC 2023 Annual Report

Strategic Review

KEY MARKET TRENDS

Shaping Our Business: Opportunities and Trends

Navigating Economic Uncertainties

FY2023 proved to be challenging, with global impacts from various factors such as high inflation, higher interest rates, fears of a recession in the United States and a slowing economy in China. These factors have given rise to a challenging operating environment across many of our businesses.

What is the Potential Impact:

- − The post-COVID revival of the global economy has led to rising inflation, prompting governments around the world to increase interest rates as a measure to curb inflation. In the United States, the Federal Reserve declared in September 2023 that it would maintain its key interest rate at the highest level in 22 years, between 5.25% to 5.5%, and indicated the possibility of further rate increases in its ongoing effort to reduce inflation.
- − Depreciation of the Ringgit against the US dollar, Singapore dollar and majority of the other major currencies in 2023.
- − Increased unemployment and financial instability for low income households.
- + Many businesses started to change their business models in order to stay competitive.
- + Trade diversion from the US-China conflict has created opportunities for the industrial sector in Southeast Asia, with Malaysia being one of the beneficiaries.

How we responded

The Group maintained a careful approach to managing our balance sheet, ensuring always that we are able to withstand any financial shocks from an economic slowdown.

In terms of our businesses, we continue to focus on delivering products and services to our core target markets. This strategy has enabled us to grow through the various market cycles as we cater for the essential needs of our customers.

Thankfully, we were able to register healthy revenues and profits in FY2023 in spite of the challenges in the global economic and geopolitical space.

Outlook

We believe that Malaysia and Australia are both resilient economies, and we feel that our products and services in both markets cater for the essential needs of our target market segments. As such, we believe that we should be able to maintain a steady performance in the coming year.

Fragmentation in Commodity Markets

The global commodity markets have remained subdued in 2023, as tight monetary policies, weaker-than-expected demand from China and oil supply cut from Organisation of the Petroleum Exporting Countries ("OPEC+") presented strong headwind to the market. However, continued geopolitical tensions, such as the Russia-Ukraine war, the US-China economic conflict and the Red Sea security crisis, indicated that businesses are still at risks of geoeconomic fragmentation of commodity trades.

What is the Potential Impact:

- Increased volatility and unpredictability in commodity prices and shipping costs. This could put pressure on the stability of supply chains, production costs, and drive supply side price increases.
- Businesses are now taking a more proactive stance to diversify their supply chains and stock up on critical supply items.

How we responded

The Group remains vigilant in inventory planning and supply chain management. We maintain a diversified supply chain, and have been able to keep our businesses running without any significant interruptions to our supplies during the year.

We have seen an increase in the costs across all of our businesses in both Malaysia and Australia. Nonetheless, we have also been able to mitigate the impact by growing our revenue base to achieve greater production efficiency across our property, financial services and manufacturing businesses.

Outlook

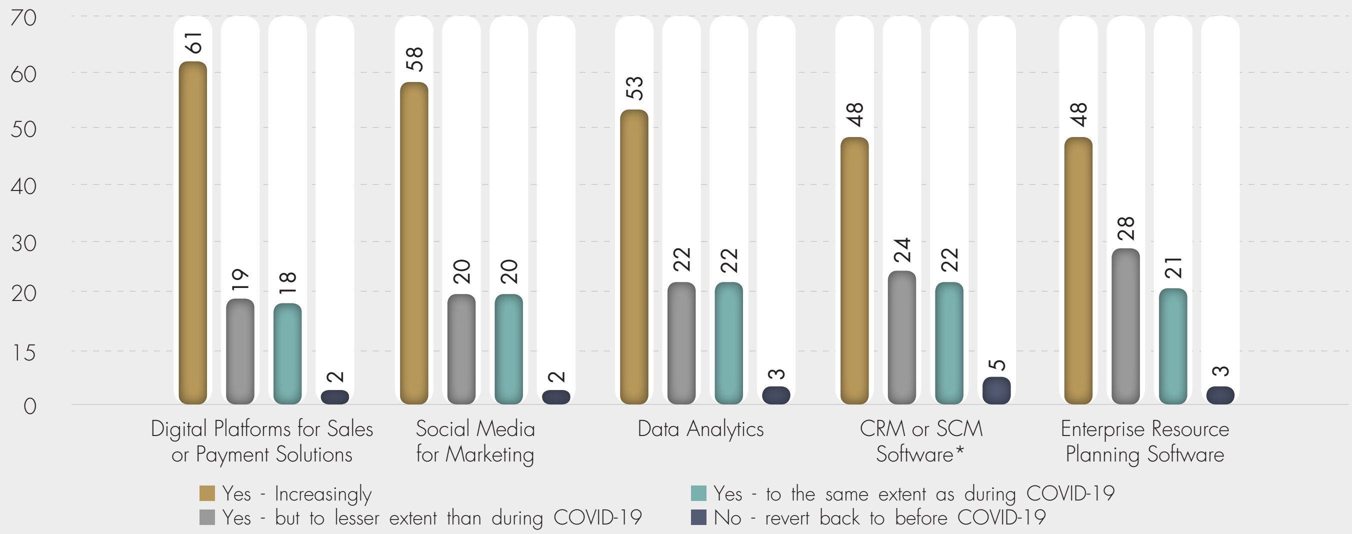
We remain confident that we have a robust and reliable supply chain. We will continue to plan our procurement of materials and production inputs carefully to ensure that the continuity of our business operations is assured.

Embrace Automation and Digitalisation

The world is embracing the fifth industrial revolution, where automation and digitalisation play pivotal roles in shaping the modern era. According to the IMF in March 2023, the pandemic has accelerated the digitalisation and companies are starting to adapt to stay competitive in the market. Organisations achieving high levels of digitalisation helped shield productivity and employment from economic disruptions, highlighting that least digitalised organisations experienced significantly bigger losses in labour productivity and hours worked compared to more digitalised organisations. IMF further stresses that higher digitalisation in a sector reduced labour productivity losses by a sizable 20% when comparing 75th and 25th percentile in the sample for each sector. These successful organisations are fully embracing both automation and digitalisation capabilities. Notably, they are leveraging digitalisation across various business functions, particularly in product and service development, risk management, and supply chain operations, as revealed in the survey results.

Strategic Review

EXPECTED USE OF DIGITAL TECHNOLOGIES POST-PANDEMIC IN MALAYSIA
(% share of firm who started or increased use)



**CRM = Customer Relationship Management; SCM = Supply Chain Management*
Source: World Bank's COVID-19 Business Pulse Survey Round 4, March 2022

According to the Malaysia Digital Economy Corporation's ("MDEC") Digital Talent Survey 2021, 85.0% of Malaysian companies have recognised the criticality of re-skilling their personnel. Additionally, the survey found a significant uptick in the adoption of digital platforms for day-to-day business operations, with 48.0% of enterprises embracing such platforms in 2021, marking a substantial surge from the 19.0% recorded in 2020. These require skills in cloud computing, cybersecurity, data analytics, digital marketing and software development.

What is the Potential Impact:

- ⊖ The increased use of automation and digitalisation may lead to job displacement, particularly for tasks that can be automated. This could result in unemployment for certain job categories, requiring a workforce transition to roles that complement AI capabilities.
- ⊖ The integration of automation and digitalisation may create skill gaps within the workforce. There could be challenges in upskilling or reskilling the existing workforce.
- ⊕ Digitalisation can lead to improved operational efficiency. This allows organisations to focus on the more complex and strategic aspects of their operations.
- ⊕ Businesses can enhance their customer experience by providing timely and relevant information, addressing inquiries, and personalising interactions with customers.

How we responded:

In the recent years, our Group has adopted a proactive stance in embracing technology to improve our operations. While we are not at the forefront of the technological revolution, we have been able to deploy a number of effective technologies to improve our operations across all our businesses.

Outlook

We think that technology can be a great enabler for our businesses, and we will continue to deploy suitable solutions to further enhance our business operations. These may include workflow systems, communications tools, sales and marketing systems and enterprise resource planning software.

Environmental Sustainability and Climate Concerns

The key market trends in 2023 related to environmental stewardship have witnessed a significant shift from dialogue to action in various sectors. According to the 2023 World Economic Forum's assessment, most of the top risks identified are environmental or societal. Our Government is also adopting a "whole-of-nation" approach to addressing the impact of climate change on economic sustainability, and this approach is embedded in national plans, including the New Industrial Master Plan and the National Energy Transition Roadmap.

What is the Potential Impact:

- Climate friendly solutions may cost more to deploy compared to traditional solutions.
- Sustainability standards are still not consistent across different markets and across different industries. This makes tracking and benchmarking difficult.
- While sustainable solutions may cost more, they can provide for a better long-term outcome for the business and for the community.
- The growing green energy market in Malaysia can offer good business opportunities.

How We Responded

Our Group believes that we have to weave sustainability best practices into our daily practice. The initiatives we have introduced in the recent years have been well supported by our employees, our customers and by our other stakeholders. This has been a rewarding journey for us, and we are committed to further strengthen our sustainability efforts. Further details can be found in our Sustainability Report 2023.

Outlook

We have established a Board Sustainability Committee to further strengthen our sustainability agenda. This top-down approach will hopefully drive a more rapid adoption of sustainability efforts across our Group in the coming year.

Enterprise Risk Management

The Group's business activities and operational processes are governed by its Enterprise Risk Management Framework ("ERMF") that is benchmarked against ISO 31000:2018 Risk Management - Guidelines. It enables the Group to effectively identify, evaluate, mitigate and monitor various strategic, financial, operational, and regulatory and compliance risks to safeguard the interests of all OSK stakeholders.

KEY RISK

For the financial year under review, GRM has identified a number of key risks for the Group. These have been presented to the Board where internal controls and risk mitigation strategies were highlighted. The table below reflects some examples of the key risks and opportunities deliberated.

Key Risk	Risk Description	Opportunities
Strategic Risk	Economic uncertainty has prompted the Group to continuously assess and realign its strategy in response to market conditions and requirements ensuring resilience against the potential risks. Given the potential financial vulnerabilities associated with economic uncertainty, the Group proactively monitors the performance of its Property, Construction, Industries, Hospitality, and Financial Services businesses. The Group also ensures that each business unit has the right products and services to remain in tune with the market demand. In terms of cost management, fluctuations in material prices may impact each business unit differently. Despite the added pressure from volatile commodity prices, particularly building materials, the Group has implemented several measures to mitigate this risk. These measures have included improving operation efficiencies, engaging in active price optimisation with vendor/suppliers and closely monitoring costs to maintain financial stability.	The Group implements various strategies to build business strength on the following business units: a. Property – Continue to concentrate on building market-focused townships and high-rise projects in key regions, including Peninsular Malaysia (Klang Valley, Kedah, Penang, Negeri Sembilan), and Melbourne, Australia. b. Construction – Collaborate closely with the Property Development Division to engage in the initial design stages of each project to optimise constructability, ensuring seamless integration and efficiency. c. Industries – Increase our product portfolio, product after-sales service quality and plant capacity. d. Hospitality – Refurbishment of rooms and facilities enhancement to improve our guests' experiences and potentially revise the room rates. e. Financial services – Increase in capital commitment to have a stronger loan base to support the growth of the conventional and Shariah financing.
Financial Risk	Our group is exposed to credit and liquidity risk that may arise from the probable inability to recover debts in a timely manner which may negatively impact the Group's profitability, liquidity, cash flows and funding. Continuous monitoring of economic indicators and financial forecasts enables the Group to strategically position itself in response to changing interest rate conditions.	To effectively maintain cashflow and profitability, the Group closely monitors its cashflow and forecasts, ensuring adequate funding. Strong credit control procedures implemented to minimise bad debt exposures.

Key Risk	Risk Description	Opportunities
Operational Risk	Supply chain disruptions pose challenges that may impact the business growth and operations. The Group persists with consistencies in forward looking planning. Every business unit meticulously manages and controls every aspect of product development, project delivery and service standards to consistently meet customer expectations. Mitigation efforts include applying policies and procedures, appointing the right suppliers, vendors and consultants with a proven track record of delivering quality products and services, recruiting skilled labour and also leveraging technology to enhance work efficiency.	The Group places emphasis on sourcing the right quality of material through a pool of strong performance suppliers/vendors. Leverage synergies between business segments to mitigate risks and ensure cost are kept within expectation.
Regulatory and Compliance Risks	Changes in regulations, guidelines and laws in Malaysia and Australia may have direct and indirect impacts on the Group. This risk is closely monitored to ensure compliance. The Group also emphasises the importance of Environmental, Social and Governance ("ESG") by setting internal objectives and internal timeline of achievements.	We commit to place importance on compliance with regulatory and compliance requirements. The Group emphasises compliance on ESG requirements and the opportunities to operate in a green and responsible manner through various initiatives to achieve key sustainability objectives.

Performance Review

FINANCIAL HIGHLIGHTS

Overall Group Performance in FY2023

In 2023, the Group faced challenges and uncertainties in our business segments, underscored by rising interest rates, volatility in foreign exchange and global geopolitical tensions. Despite these, the Group has reached a notable milestone, concluding the year positively with a 20% increase in revenue, reaching RM1.6 billion compared to last year, while PBT grew by 14% to RM555.1 million YoY.

The Financial Services and Investment Holding Segment and the Property Segment remained the key PBT contributors to our Group and reported 91% of the consolidated PBT of the Group. Meanwhile, the Industries Segment have shown remarkable growth in PBT in FY2023, with a 215% YoY growth to RM47.5 million. The performance of our Hospitality Segment was also stable in 2023 as the tourism industry continues to recover from the COVID-19 pandemic. Lastly, the Construction Segment continued to support the Property Development Division in building quality homes for our homebuyers under the property-construction partnership, also known as the "Prop-Con" model.

The Group's Property Segment registered a 14% increase in revenue to RM853.5 million. However, the PBT declined by 8% to RM138.3 million. The revenue contributor for the Property Segment, including Property Development and Property Investment Divisions. The Property Development Division was mainly contributed by property sales and construction progress of ongoing projects in Malaysia, such as LEA by The Hills in Taman Melawati, Mira and Anya @ Shorea Park in Puchong, Rubica in Butterworth and our township projects at Iringan Bayu, Seremban and Bandar Puteri Jaya, Sungai Petani.

Over in Melbourne, Australia, the Group soft launched Phase 2 of Melbourne Square ("MSQ"), known as BLVD, in April 2023. With approximately 591 units in a single tower, it has received a positive response, reaching around 50% take-up rate as at the end of FY2023. Going forward, apart from selling the ongoing BLVD (which is expected to commence construction towards the end of 2Q2024), the Group will also focus on selling the remaining completed residential units of Phase 1 in MSQ.

The Group's Property Investment Division continues to generate stable rental income from its office and retail properties. The completion of You City Retail with an additional net lettable area of approximately 155,492 square feet to the Group's retail assets is expected to contribute positively to the Property Investment Division.

Under the Construction Segment, the Group is committed to prioritising the fulfilment of its current order book, valued at RM389.6 million as of 31 December 2023. Additionally, the Division will continue to support the Property Development Division in constructing quality homes within cost and time through the Group's "Prop-Con" model.

The Group's Industries Segment, which includes Cables and IBS Divisions, demonstrated an improved YoY Revenue and PBT due to higher demand from local and export markets. The division remains committed to exploring new market opportunities for its Industries Segment while implementing strategic measures to enhance profit margins, including improving production efficiency and implementing raw material procurement and waste control measures.

The performance of our Hospitality Segment, which includes Hotels & Resorts and SGI Vacation Club Divisions, recorded a stable performance in FY2023 with a 12% rise in revenue to RM99.0 million, while PBT slightly increased 3% YoY to RM3.3 million. Occupancy and room rates at all our hotels have improved, mostly due to increased demand from local tourism and meetings/conventions. This led to higher average room rates, thus increasing revenue. The Hotels & Resorts Division recorded a slight loss before tax due to the closure of Swiss-Garden Kuantan for refurbishment which affected its revenue generation for a substantial period in FY2023. With the completion of the refurbishment of Swiss-Garden Beach Resort Kuantan in late FY2023, it is expected to contribute positively to the Hospitality Segment of the Group in FY2024 onwards.

As for the Financial Services and Investment Holding Segment, the growth is primarily attributed to the performance of RHB Bank Group and the larger loan portfolios managed by the Capital Financing Division, both in Malaysia and Australia. With the growth of its financing portfolio and product offerings including Shariah-compliant financing in Malaysia, this Division is expected to deliver stronger financial performance for the Group. The Group's equity holding in RHB Bank Berhad has increased to 10.24% following a new RHB share subscription under its dividend reinvestment plan in FY2023.

Statement of Financial Position

The Group's financial position remains strong as of the end of FY2023 reflected by an 8% increase in the Group's shareholders' funds to RM6.1 billion, equivalent to a net assets per share of RM2.97 (FY2022: RM2.76). Total assets also went up by 8% from a year earlier to RM10.4 billion.

Performance Review

Capital Management

The Group is committed towards a prudent capital management strategy by maintaining a strong capital base with healthy capital ratios to sustain the growth of our business. The Management ensures efficient use of capital by optimising the allocation of resources across different business segments.

The Group's capital structure is overseen by a centralised treasury operation. Its treasury exposures are reviewed periodically to ensure an optimal mix of debt, equity and cost of funds. The Group's financial strength was reaffirmed by the Malaysian Rating Corporation Berhad ("MARC"), which has maintained a rating of AA_{IS}/AA with a stable rating outlook for OSK's rated bonds programme in its annual review in FY2023. In FY2023, the Group issued an additional RM500.0 million rated bonds comprising 7-Year and 10-Year tenure at fixed coupon bringing a total issuance of close to RM1.2 billion since 2021. The issuance of rated bonds has enabled OSK to balance its borrowings portfolio with 37% and 63% fixed and floating interest rate respectively. OSK's net debts stood at RM2.5 billion at the end of FY2023 (as of 31 December 2022: RM2.3 billion) comprising total borrowings of RM3.3 billion, offset against total cash, bank balances and short-term funds of RM743.6 million. The increase in total borrowings was in line with the expansion of the Group's Capital Financing business which saw a total net disbursement of RM327.3 million in FY2023.

We carefully manage our debts and funding requirements and strive to maintain a healthy net gearing ratio at all times. Our net gearing ratio stood at 0.41 times at the end of the financial year (as of 31 December 2022: 0.41 times).

STATEMENT OF CASH FLOWS

Operating Activities

For FY2023, the Group recorded net cash used for operating activities of RM39.7 million, compared to RM288.8 million used in FY2022. The decrease in net cash used for operating activities was due to a decrease in net disbursement to borrowers in the Capital Financing Division totalling RM327.3 million (FY2022: RM418.5 million). Excluding the net disbursement of capital financing, the Group generated a net operating cash inflow of RM287.6 million (FY2022: RM129.7 million).

Investing Activities

The Group generated a net cash of RM31.1 million from investing activities in FY2023 compared to a net cash generation of RM86.9 million on investing activities in FY2022. The drop in net cash generated in FY2023 was mainly attributed to an increase in the amount utilised for the acquisition of land for property development totalling RM60.2 million (FY2022: RM19.9 million), as well as for the acquisition of property, plant and equipment and investment property expenditure amounting to RM85.0 million (FY2022: RM47.5 million). This includes renovation costs incurred for the refurbishment of the hotel properties, factory expansion and costs incurred on the new retail asset and other investment properties.

Financing Activities

The Group also generated a total of RM37.8 million in net cash inflow from financing activities in FY2023 (FY2022: RM82.4 million). Dividend payment to the Group's Shareholders amounted to a total of RM144.3 million (FY2022: RM123.7 million). During the year, the Group raised RM500.0 million from the issuance of Series 4 and Series 5 of Sukuk-R and drawdown of RM41.6 million from bank borrowings for working capital and repayment of debts. During FY2023, the Group redeemed unrated Sukuk and MTN amounted to RM84.1 million and repaid bank borrowings amounted to RM226.1 million.

Cash and Cash Equivalents

As of 31 December 2023, the Group's total cash and cash equivalents stood at RM743.6 million, an increase of RM30.9 million from FY2022.

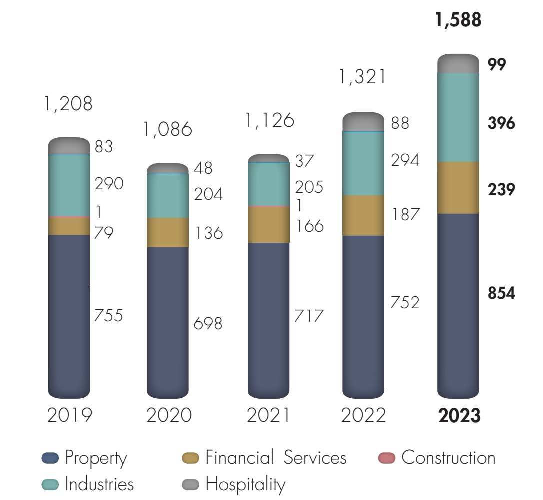
Risk Management

At OSK, we view risk management as a crucial function that empowers the Board and the Management with the tools to adequately identify and mitigate potential risks. The Group's Enterprise Risk Management ("ERM") function continues to focus on aspects related to operations, compliance, financial and business continuity management. During FY2023, strategic steps were taken to ensure that key mitigation measures were in place to ensure risk governance, operational sustainability and resilience across all our business segments.

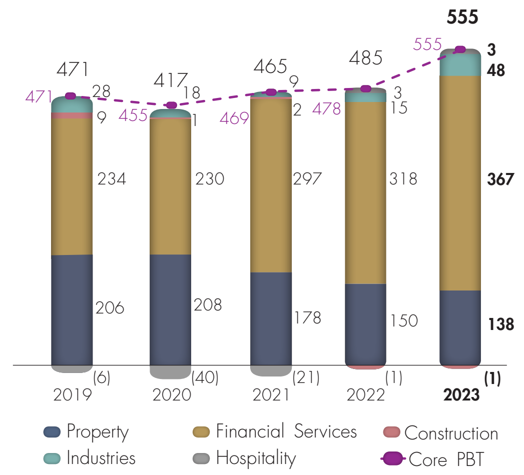
The Group's systematic risk management approach is anchored by our ERM Framework that enables the Group to effectively identify, evaluate, mitigate and monitor risks appropriately. The Risk Management Committee provides governance oversight on the aspects mentioned above.

Financial Highlights

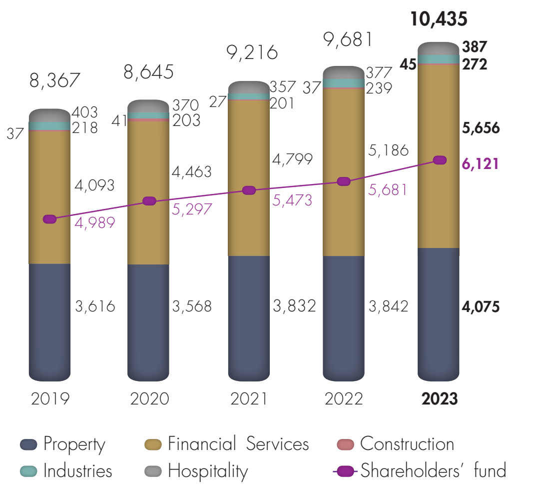
Revenue (RM'million)



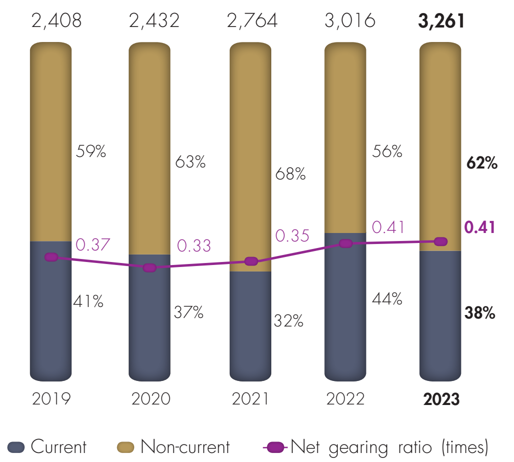
Profit Before Tax ("PBT") and Core PBT (RM'million)



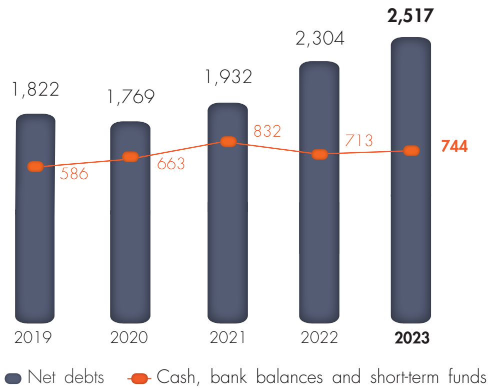
Total Assets and Shareholders' Funds (RM'million)



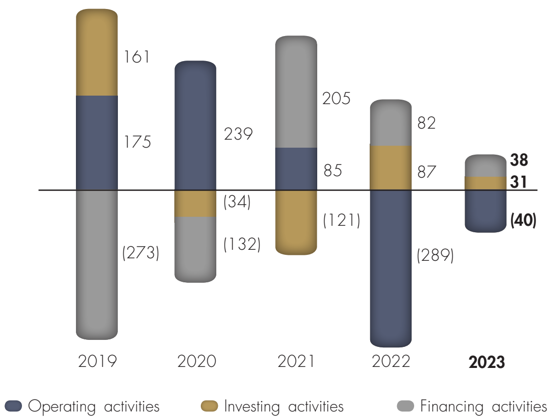
Total Borrowings (RM'million)



Net Debts (RM'million)



Cash Flows (RM'million)



5-Year Financial Summary

	2023	2022 Restated[4]	2021 Restated[4]	2020 Restated[3]	2019
Financial Performance (RM'million)					
Revenue	**1,588**	1,321	1,126	1,086	1,208
Gross profit	**476**	418	367	407	420
Profit before tax	**555**	485	465	417	471
Core profit before tax[1]	**555**	478	469	455	471
Profit after tax	**470**	427	402	347	419
Profit attributable to Owners of the Company	**467**	424	398	344	412
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**632**	569	551	508	564
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)	**6,121**	5,681	5,473	5,297	4,989
Total assets	**10,435**	9,681	9,221	8,645	8,367
Total net tangible assets	**6,113**	5,678	5,499	5,339	5,009
Other Financial Information					
Market capitalisation (RM'million)	**2,557**	1,990	1,794	1,856	2,155
Net assets per share attributable to Owners of the Company (RM)	**2.97**	2.76	2.65	2.57	2.41
Share price at the end of the year (RM)	**1.24**	0.97	0.87	0.90	1.04
Earnings per share (sen)	**22.64**	20.57	19.31	16.61	19.84
Dividend per share (sen)	**7.00**[2]	6.00	5.00	4.00	5.00
Net gearing ratio (times)	**0.41**	0.41	0.35	0.33	0.37
Return on equity (%)	**7.91**	7.61	7.40	6.68	8.60
Price-earnings ratio (times)	**5.48**	4.69	4.51	5.42	5.24
Dividend yield (%)	**5.65**	6.22	5.75	4.44	4.81
Notes:					
[1] The Core profit before tax excluded the following items (RM'million):					
Gain on disposal of a subsidiary	–	–	–	*8*	–
Fair valuation gain/(loss) of investment properties	–	*6*	–	*(28)*	–
Impairment and write off on property, plant and equipment	–	–	*(4)*	*(18)*	–
Gain on disposal of hotel property	–	*1*	–	–	–
Total	–	*7*	*(4)*	*(38)*	–

[2] Dividend per share for FY2023 of 7.0 sen consists of a single-tier interim dividend of 3.0 sen per share and a proposed single-tier final dividend of 4.0 sen per share. The proposed final dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting.

[3] The financial results for FY2020 have been restated for the adoption of IFRIC Agenda Decision - Over time transfer of constructed goods in relation to Accounting Standards - IAS 23 'Borrowing Costs'.

[4] The financial results for FY2021 and FY2022 have been restated for the adoption of MFRS 17 'Insurance Contracts' as disclosed in Note 6.1(vi) to the financial statements.

Statement of Value-Added and Distribution

(RM'million)	2023	2022 (Restated)	2021	2020 (Restated)	2019
Value Added:					
Revenue	**1,588**	1,321	1,126	1,086	1,208
Purchase of goods and services	**(1,151)**	(937)	(798)	(751)	(815)
Value added by the Group	**437**	384	328	335	393
Other income	**38**	36	29	44	34
Share of results of associates and a joint venture	**302**	281	295	251	275
Total value added	**777**	701	652	630	702
Reconciliation:					
Profit after tax	**470**	427	402	347	419
Add: Depreciation and amortisation	**31**	39	40	40	29
Finance costs	**46**	45	46	51	64
Salaries and other staff costs	**145**	132	101	123	138
Tax expense	**85**	58	63	69	52
Total value added	**777**	701	652	630	702
Distribution:					
To employees					
– Salaries and other staff costs	**145**	132	101	123	138
To the Government					
– Corporate taxation	**85**	58	63	69	52
To providers of capital					
– Dividends to the Owners of the Company	**144**	124	82	83	104
– Profit attributable to non-controlling interests	**3**	3	4	4	7
– Finance costs	**46**	45	46	51	64
	193	172	132	138	175
To reinvest for future growth of the Group					
– Depreciation and amortisation	**31**	39	40	40	29
– Profits retained by the group	**323**	300	316	260	308
	354	339	356	300	337
Total value distributed	**777**	701	652	630	702

Financial Calendar

DIVIDENDS TO SHAREHOLDERS

31 December 2022		31 December 2023	
Declared and paid			**Proposed**
Single-tier interim dividend of 2.0 sen per ordinary share	Single-tier final dividend of 4.0 sen per ordinary share	Single-tier interim dividend of 3.0 sen per ordinary share	Single-tier final dividend of 4.0 sen per ordinary share*
Announcement Date on The Notice of Entitlement and Payment			
29 August 2022	06 April 2023	29 August 2023	22 February 2024
Entitlement Date			
15 September 2022	26 April 2023	15 September 2023	23 April 2024
Payment Date			
6 October 2022	12 May 2023	13 October 2023	17 May 2024

QUARTERLY FINANCIAL RESULTS

Financial Year Ended: 31 December 2023
Unaudited Consolidated Results:
1st Quarter 2023 | 2nd Quarter 2023
Quarter Ended:
31 March 2023 | 30 June 2023
Announcement Date:
26 May 2023 | 29 August 2023

Financial Year Ended: 31 December 2023
Unaudited Consolidated Results:
3rd Quarter 2023 | 4th Quarter 2023
Quarter Ended:
30 September 2023 | 31 December 2023
Announcement Date:
27 November 2023 | 27 February 2024

ANNUAL GENERAL MEETING ("AGM")

33rd AGM

Financial Year Ended: 31 December 2022
Date: 18 April 2023
Broadcast Venue: Board Room, 22nd Floor,
Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur,
Wilayah Persekutuan.
(Virtual Meeting)
Time: 10.00 am

34th AGM

Financial Year Ended: 31 December 2023
Date: 18 April 2024
Broadcast Venue: Main Auditorium, 11th Floor,
Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur,
Wilayah Persekutuan
(Virtual Meeting)
Time: 10.00 am

* *The proposed single-tier final dividend is subject to the Shareholders' approval at the forthcoming 34th Annual General Meeting to be held on 18 April 2024.*

Investors' Information

OSK is committed to sharing information guided by best ("IR") practices. We ensure reliable and accurate communication on the Group's business strategies, financial performance and business initiatives, facilitating timely and well-informed investment decision-making for our valued shareholders, fund managers, analysts, investors and members of the public. The Group's IR function serves as a gateway for regular engagements with our stakeholders. The IR activities and outreach carried out by the Group seek to establish trust, transparency and credibility in the capital markets.

Here are some of the key objectives of the Group's IR function:

- To maintain clear and comprehensive investors' information including the Group's business performance, developments and prospects for effective decision-making
- Ensure timely responses to information requests from our stakeholders
- Support equitable and impartial access to our disclosures to Bursa Malaysia and the relevant authorities

Enhancing Investors' Perception of OSK

During the year under review, we conducted 4 analyst briefings. Additionally, research houses, namely Hong Leong Investment Bank and Malacca Securities published a total of 12 research reports on OSK, as detailed below:

	FY2023	FY2022
Number of research reports published	**12**	7
Average target price	**RM1.59**	RM1.41
Analysts' recommendation	**2 BUY calls**	2 BUY calls

Communication channels

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 annual Sustainability Reports, which detail the Group's sustainability journey and achievements and how we respond to our material sustainability issues. In addition, we disclose material updates via official announcements to Bursa Malaysia, as prescribed under the Main Market Listing Requirements. These are accompanied by press releases to the media, where applicable.

The above publications 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.

  We have been conducting our AGMs on a virtual basis to ensure easy access for all our Shareholders, in accordance with the guidelines prescribed by the Securities Commission Malaysia.

  Details of the Group's upcoming AGM are available in the Notice of Annual General Meeting section in this Integrated Annual Report.

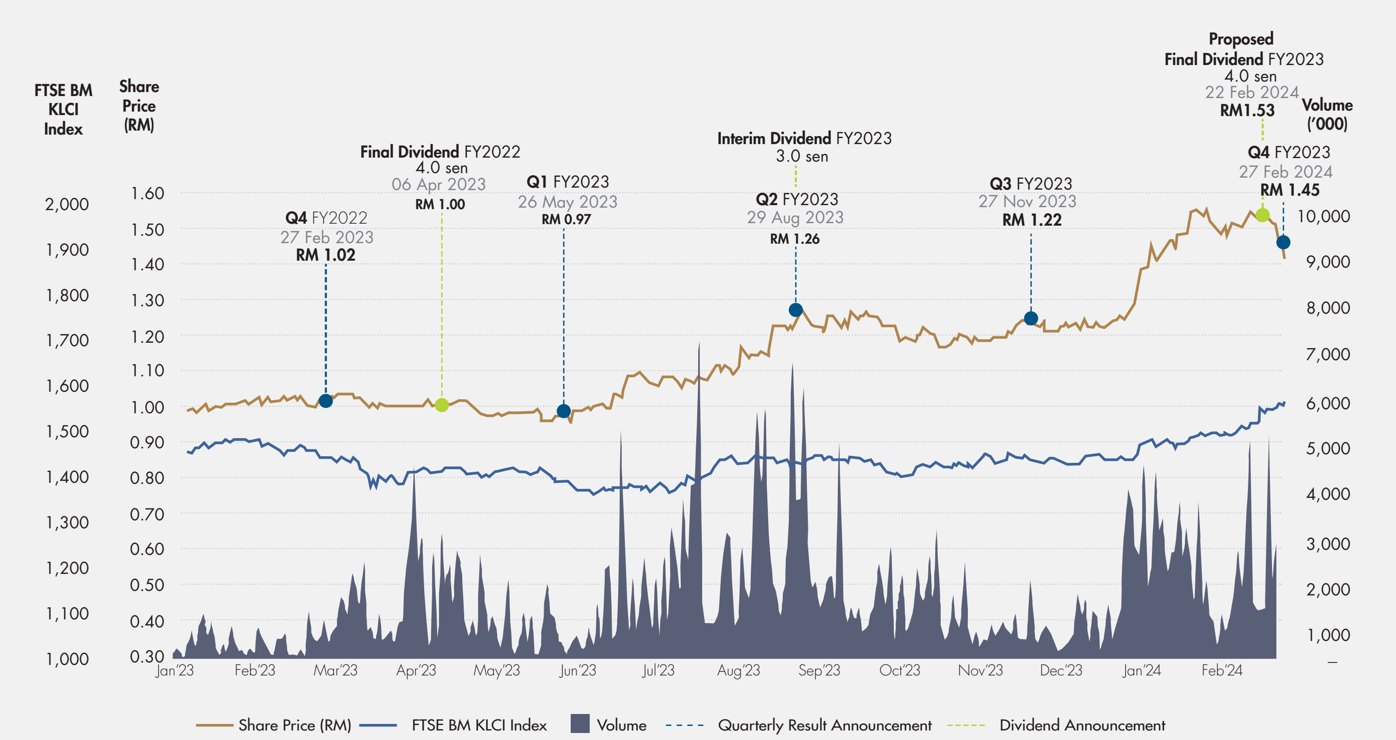
- **Corporate Website and E-mail**

  The Group's IR function is led by our Group Chief Financial Officer. The Group's IR portal, integrated within the Group's corporate website, was 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

Share Price Performance



	For the month	As at end of the month		
	Trading Volume ('000)	Share Price (RM)	FTSE BM KLCI Index	Bursa Malaysia Property Index
Jan-23	7,814	1.00	1,485.50	679.81
Feb-23	6,319	1.02	1,454.19	679.92
Mar-23	21,856	1.00	1,422.59	688.08
Apr-23	34,830	0.97	1,415.95	699.11
May-23	18,086	0.99	1,387.12	689.51
Jun-23	22,073	1.06	1,376.68	689.76
Jul-23	44,495	1.10	1,459.43	772.68
Aug-23	61,252	1.23	1,451.94	867.87
Sep-23	39,291	1.22	1,424.17	875.30
Oct-23	31,581	1.18	1,442.14	847.07
Nov-23	15,631	1.21	1,452.74	844.00
Dec-23	14,988	1.24	1,454.66	862.11
Jan-24	60,831	1.52	1,512.98	920.88
Feb-24	35,424	1.41	1,551.44	921.75

Business Review

PROPERTY DEVELOPMENT

OVERVIEW

As we strategically navigate the 2023 property development industry landscape, our operations in Malaysia and Australia have maintained steady performance despite ongoing market challenges.

In Malaysia, insights from the National Property Information Centre ("NAPIC") revealed a reduction in residential overhang figures and an increase in transaction volume throughout FY2023, indicating a promising outlook for the property industry.

The recovery in the property market in Malaysia can be attributed to increased homebuyer confidence in responding positively to the stabilised economic environment.

In the Australian property market, especially in Melbourne, fluctuations have occurred following cash rate hikes in the first quarter of 2023. Despite this, our Property Australia team recorded commendable sales for Stage 2 of Melbourne Square.

LEA by The Hills, Taman Melawati

WHAT WE DO

OSK Property ("OSKP") is a leading and dynamic player in the real estate industry, renowned for our innovative and sustainable property development projects. With a commitment to excellence and a customer-centric approach, we have established ourselves as a trusted brand in the market.

Our Property Development Division focuses on developing townships and high-rise projects in key urban areas with resilient residential demand. The Group has projects in Peninsular Malaysia, encompassing the vibrant Klang Valley, the burgeoning states of Kedah, Penang, and Negeri Sembilan, as well as in Melbourne, Australia.

CREATING STAKEHOLDER VALUE

- We deliver fairly priced homes that elevates the standard of living for our homeowners.
- In alignment with the Malaysian Government, we support and implement initiatives to help with the well-being of the B40 and M40 community, such as building affordable housing and partnering with financial institutions to deliver innovative financing models to make housing more accessible. For example, we participated in the Housing Credit Guarantee Scheme and Keluarga Malaysia Home Ownership Initiative ("i-MILIKI").

Financial Highlights

Revenue:
RM819 million

PBT:
RM126 million

Performance Highlights

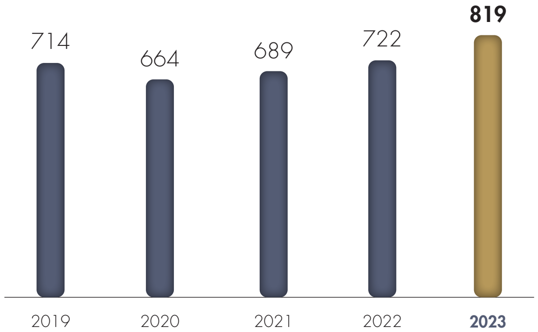
Property Sales:
RM977 million

Unbilled Property Sales
RM1,185 million

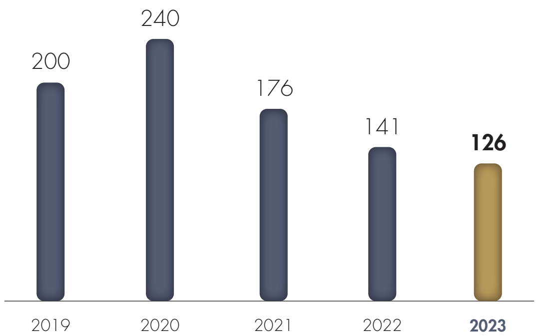
Business Review

Financial Highlights

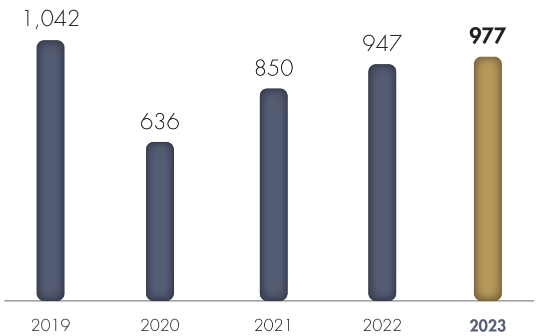
REVENUE (RM'million)



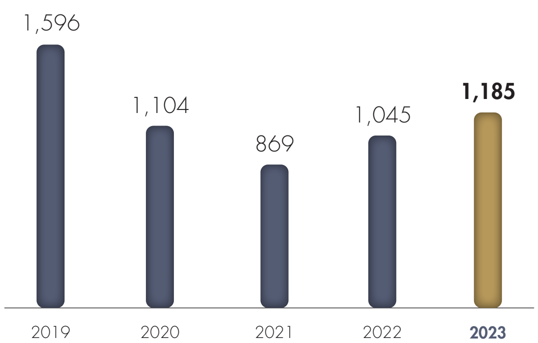
PBT (RM'million)



PROPERTY SALES (RM'million)



UNBILLED PROPERTY SALES (RM'million)



BUSINESS HIGHLIGHTS

- Launched a total of RM520.8 million worth of properties during the year compared with RM1,101.1 million in the previous year. The launches of new phases and projects in FY2023 were spread across our townships in Bandar Puteri Jaya in Kedah and Iringan Bayu in Negeri Sembilan, as well as Butterworth and the Klang Valley.
- In Kedah, two new phases of landed properties with a total GDV of RM67.5 million were launched in Bandar Puteri Jaya comprising a mix of Rumah Mampu Milik and double-storey terraces.
- In Seremban, three more phases with a total GDV of RM230.7 million were launched in our Iringan Bayu township which is a mix of Rumah Mampu Milik and double-storey terraces.
- In Klang Valley, we launched Anya Tower B at Shorea Park at our mixed-used Shorea Park master development in Puchong with a GDV of RM196.3 million.
- In Butterworth, Penang, we launched low cost apartments known as Pangsapuri Suria with a GDV of RM26.3 million.
- Total 1,977 acres of landbank remaining with a total GDV of RM15.1 billion strategically located in the Klang Valley, Sungai Petani, Butterworth, Kuantan, and Seremban in Malaysia and Melbourne in Australia.

SUSTAINABILITY HIGHLIGHTS

- Planted 10 local and IUCN red list (including critically endangered) tree species (100 trees in total) at Iringan Bayu Wetland Park.
- Created awareness of conservation among visitors and participants of our Nature Discovery Tour.
- Adopted an Orang Asli village in Kampung Paya Mendoi, Pahang through our Good Cause Initiative with a mission to improve their livelihood in a holistic and meaningful manner.

Iringan Bayu, Seremban

Business Review

2023 KEY FOCUS AREA

Deliver Sustainable Growth

Key Initiatives

- Our focus is on creating homes at reasonable prices, particularly for first-time homebuyers in the M40 group.
- Improve our townships by continuing to organise competitions and community events, and improving township maintenance to a higher level.

Achievements

- We have set specific price limits, offering landed properties below RM500k and high-rise developments below RM700k to meet the demand by the mass market for affordable housing with good quality and well-thought-through designs.
- Iringan Bayu Wetland received the Landscape Development Awards (Honour) at Malaysia Landscape Architecture Award in May 2023.
- We successfully handed over a total of 1,196 units of residential homes in FY2023 with the completion of several phases in our Iringan Bayu, Seremban township, Bandar Puteri Jaya, Kedah township and also YouCity III in Cheras.
- We acquired a total landbank of 51.4 acres in Negeri Sembilan and 0.3 acres in Penang.
- OSKP conducted an Education Tour of Wetlands Park in Iringan Bayu to educate the public and nature lovers about nature preservation. Amongst the participants for the Nature Discovery Tour at Iringan Bayu were students and teachers from SJKC Kg Baru Mambau, who visited the Mini Forest and Wetland Park.

Affordability with Quality

Key Initiatives

- The primary goal for 2023 is to ensure that all property development projects meet and exceed established quality standards.
- Pricing of our products is benchmarked with the market to ensure we are delivering quality products at fair prices to our buyers.

Achievements

- In 2023, we achieved a Quality Assessment System in Construction ("QLASSIC") score above 80% for landed properties in our township in Bandar Puteri Jaya, Sungai Petani and Iringan Bayu, Seremban.

Enhancing User and Customer Experience

Key Initiatives

- Partnered with RHB Banking Group for its new home financing initiative with aims to provide a bridge between the bank and the customer.
- Established The Brick app as a digital platform that serves to be a central hub for stakeholders, including customers, investors, and partners.
- Conducted the 'Double the Win, Double the Joy' initiative between April and December 2023 to attract potential buyers and generate a positive market response.

Achievements

- The initiative successfully enables all new OSKP customers to enjoy a seamless home loan application process and track the progress of their applications through the RHB MyHome App.
- Expansion on the payment gateway (ipay88) in progress with the upgrading of The Brick for Differential Sum and progress billing.
- We received good and positive feedback, resulting in more than 900 bookings from the marketing campaigns.

Joint venture ("JV") and Partnership Development

Key Initiatives

- Partnering with the Employees Provident Fund (EPF) to enhance placemaking in the Southbank neighbourhood and the city of Melbourne.
- JV with GURNER™ and Qualitas to develop and operate a Built-to-Rent ("BTR") residential tower within the Melbourne Square precinct in Southbank, Melbourne.

Achievements

- We soft launched the second phase of Melbourne Square, called BLVD, in April 2023 which comprise 591 units and has a GDV of RM2 billion.
- In December 2023, we announced the next phase of the Melbourne Square masterplan. This initiative not only enhances the offerings at Melbourne Square but also maximises the position of our existing portfolio by aligning with market demands.

RISK/OPPORTUNITIES

Risk	Mitigation Strategies	Opportunities
Strategic Risk	To actively launch our property development to grow our Gross Development value in both high-rise and landed projects. To actively build up our landbank inventories through acquisitions to support our strategic growth target.	We continue to focus on townships and high-rise projects in areas with resilient residential demand. The key regions in Peninsular Malaysia, encompassing the vibrant Klang Valley, the burgeoning states of Kedah, Penang, and Negeri Sembilan, as well as Melbourne, Australia, are all part of the Group's property development footprint.
Financial Risk	Build our market share based on strategic pricing with quality product offerings.	We continue to explore the opportunities and product type in the market to build our GDV through expansion in landbank.
Operational Risk	Leverage on our construction experiences to achieve development efficiency and cost optimisation.	Enhancement of Early Contractor Involvement (ECI) in the project planning stage of our Prop-Con Model. As a result of our successful Prop-Con model, it enabled us to complete our projects ahead of schedule. Additionally, we implemented QLASSIC for our projects.
Regulatory and Compliance Risk	We ensure that we comply with local authorities' licensing requirements for all our projects.	Being in compliance ensures that we are able to deliver our projects in a responsible, safe and proper manner. This bodes well for the long-term sustainability of our business.

Business Review

AWARDS & RECOGNITION

1 **Malaysia Developer Awards 2023**

- No. 2 in Top-of-the-Chart Awards Top 10 for Market Cap RM1 Billion & above

2 **The Edge Malaysia Top Property Developers Awards 2023**

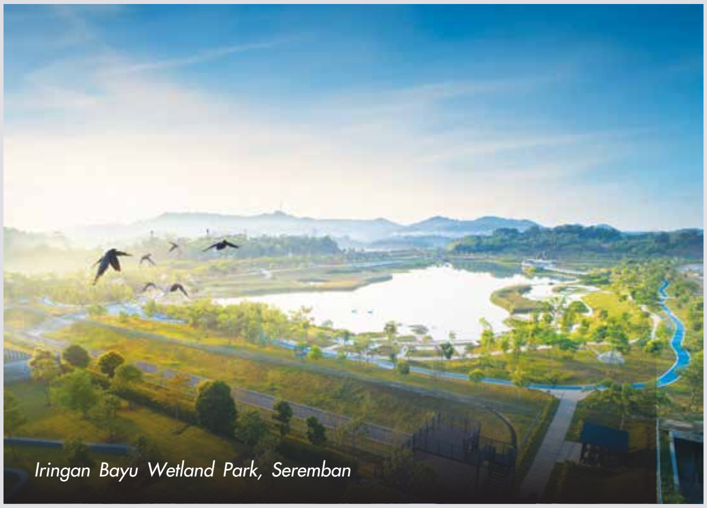
- Ranked 11th

3 **The Star Property Award**

- StarProperty Awards – All-Stars Award – Listed Top 10 (No. 6)
- ANYA at Shorea Park – The Family-Friendly Award (Best Family-Centri Development) (Merit)
- Rubica – The Northern Star Award (Best Northern Malaysia Development) (Merit)
- LEA by The Hills – The Skyline Award (Best High-Rise Residential Development) (Honours)

4 **ILAM Malaysia Landscape Architecture Award**

- Iringan Bayu Wetland Park – Developer Category – Landscape Development Award (Honour)



Iringan Bayu Wetland Park, Seremban

Shorea Park in Puchong

2024 OUTLOOK & PROSPECT

Overall, the Property Development business of OSK Group navigated a complex environment with both challenges and growth opportunities, we are confident that the division's strategic initiatives and launches will help position us for a positive performance in 2024.

The Property Development Division's planned property launches are expected to deliver a combined GDV of approximately RM1.7 billion namely:

1 PROJECTS IN THE KLANG VALLEY WITH A TOTAL GDV OF RM793.8 MILLION

- Shorea Park in Puchong – PH3 Tower A with a GDV of RM149.9 million
- Melawati Phase 2 with a GDV of RM182.8 million
- Nuria (RSKU) in Melawati with a GDV of RM63.0 million
- Project in Shah Alam with a GDV of RM398.1 million

2 AFFORDABLE HOMES IN BUTTERWORTH, PENANG WITH A TOTAL GDV OF RM146.4 MILLION

3 IRINGAN BAYU TOWNSHIP IN SEREMBAN, NEGERI SEMBILAN WITH A TOTAL GDV OF RM364.5 MILLION

- Phase 1A with a GDV of RM17.0 million
- Phase 15A with a GDV of RM153.4 million
- Phase 15B with a GDV of RM72.6 million
- Phase 16 with a GDV of RM121.5 million

4 BANDAR PUTERI JAYA AND AMANJAYA IN SUNGAI PETANI, KEDAH WITH A TOTAL GDV OF RM446.4 MILLION

- Commercial Phase Z1, Bandar Puteri Jaya with a GDV of RM83.7 million
- Phase 5 Parcel 2, Bandar Puteri Jaya with a GDV of RM96.3 million
- Phase 5 Parcel 4 – Phase 1, Bandar Puteri Jaya with a GDV of 134.0 million
- Phase 1, Bandar Amanjaya with a GDV of RM107.9 million
- Rumah Makmur, Bandar Amanjaya with GDV of RM17.2 million
- Low cost 1A, Bandar Puteri Jaya with GDV of RM7.3 million

Rubica @ Harbour Place, Butterworth Penang

Business Review

PROPERTY INVESTMENT

OVERVIEW

The Group's Property Investment business is divided into the retail and commercial office segments.

The retail industry continued to recover from the COVID-19 pandemic, with Retail Group Malaysia ("RGM") indicating that shopping traffic in 2023 had returned to pre-COVID levels. Occupancy rates of shopping complexes also improved to 77.4% in 2023 compared to 75.4% in 2022, according to NAPIC.

The growth in retail spending in 2023 is expected to be at a modest level of 2.8%, weighed down by the rising costs of living experienced by most Malaysian households. We remain cautious with the outlook of retail spending in 2024, with a combination of factors such as weak local currency, impending subsidy rationalisation and utility tariff revision expected to dampen the spending power of consumers.

NAPIC's data shows that office rates continue to remain below pre-COVID levels of 80.6% which we believe is attributed to continued work-from-home policies for certain organisations. Occupancy rates in Kuala Lumpur and Selangor remain below the national average at 72.1% and 72.6% due to the supply/demand imbalance.

Faber Towers

WHAT WE DO

OSK Group owns and manages properties with a total Net Lettable Area ("NLA") of approximately 1.6 million square feet under the Property Investment Division across both retail and office properties in the following segments:

Atria Shopping Gallery, Damansara Jaya

Atria Shopping Gallery, Damansara Jaya

NLA (square feet):	Occupancy Rate:
446,670	86%

Plaza OSK

NLA (square feet):	Occupancy Rate:
236,335	98%

You City Retail, Cheras (Opening in 2024)

NLA (square feet):	Occupancy Rate Secured:
155,492	60%

Faber Towers

NLA (square feet):	Occupancy Rate:
478,511	82%

Lotus's Bandar Puteri Jaya, Sungai Petani

NLA (square feet):	Occupancy Rate:
75,348	100%

Econsave, Butterworth

NLA (square feet):	Occupancy Rate:
71,275	100%

Econsave Bandar Puteri Jaya, Sungai Petani

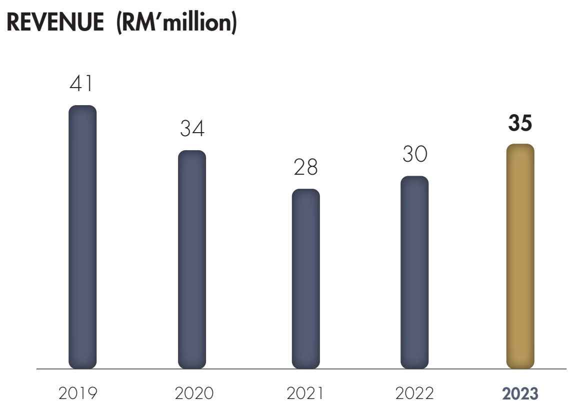
NLA (square feet):	Occupancy Rate:
60,000	100%

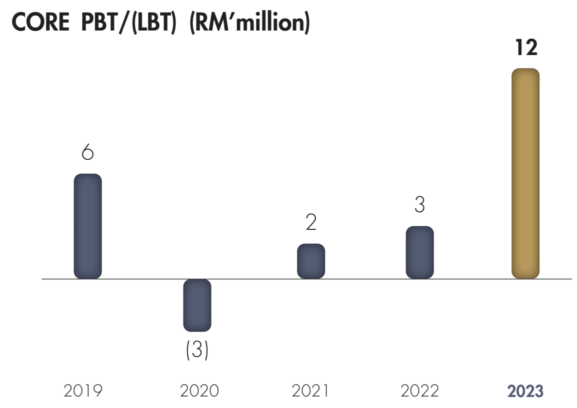
Econsave Taman Putri, Kulai

NLA (square feet):	Occupancy Rate:
75,080	100%

Business Review

Financial Highlights





CREATING STAKEHOLDER VALUE

- Explore value-added opportunities, such as running promotions and events, and maintain strong relationships with tenants by providing excellent customer service.
- Carry out asset enhancement initiatives wherever and whenever necessary.
- Incorporate sustainability and Environmental, Social, and Governance (ESG) principles into property investments. Sustainable and energy-efficient properties can attract environmentally conscious tenants and investors.
- Proactively engage with the local community and be a responsible corporate citizen. We believe that positive community relationships can enhance the desirability of our properties.

2023 KEY FOCUS AREA

Deliver Sustainable Growth

Key Initiatives

- Our focus is to incorporate sustainability principles into property projects, aligning with environmental and social goals.
- The primary goal for 2023 is to ensure that all property assets meet and exceed established quality standards.

Achievements

- The Group has installed solar panels on the rooftops of Atria Shopping Gallery ("Atria") and Plaza OSK with a total capacity of 439.6kWp.
- To accelerate followed by commitment to sustainable mobility, we have successfully installed 3 Electrical Vehicle ("EV") bay chargers at Atria in 2022 and, following the installation of two (2) EV charges at Plaza OSK was completed in March 2023.
- Plaza OSK won Bronze for 10 Years and Above of Non-strata office category in The Edge Malaysia Best Managed & Sustainable Property Awards 2023.

Enhance Property Value Creation

Key Initiatives

- We conducted a thorough assessment to identify areas that require improvement based on the current conditions and market requirements.
- Develop renovation strategy tailored to the property needs and target market including upgrading property infrastructure, improving energy efficiency, modernise the interior and adding new amenities.
- Driven by its strong commitment to championing customer service excellence, we focus on building good relationships with valued tenants and delivering seamless customer experiences, both in-mall interactions and digital inquiries.

Achievements

- As part of our ongoing efforts to enhance our workplace experience, the Group conducted OSK Wellness and Chillax Zone Survey to help us understand how our fellow colleagues and tenants utilise the gym facility on Level 8 of Plaza OSK and how we can foster physical wellness and work-life balance in the workplace, ultimately contributing to improved quality of life. The surveys have provided necessary data on how we can better serve the Plaza OSK community.
- We have implemented the Personal Occupant Requirement Terminal System in our elevators, featuring card readers installed on each floor of Plaza OSK. Additionally, the Group upgraded digital signages across all our properties.
- Committed to delivering the best retail experience to our customers, we have introduced digitalised facilities via mobile devices known as Atria Friend, which also serves as a customer loyalty platform with a myriad of rewards for members to redeem during both festive and non-festive campaigns. As of December 2023, we have approximately 13,403 members and continue to grow, with more member engagement activities planned with our tenants and partners.
- With digitalisation, the Group also enhanced customer experiences by implementing interactive set-up through projector advertising in Plaza OSK lifts, as well as in Atria.
- The Group strives to enhance every festive campaign experience by embracing fun, joy, and happiness through attractive décor, exciting shopping offerings, and rewarding rewards across all retail assets so that customers may immerse themselves in the experience.

Business Review

RISK/OPPORTUNITIES

	Mitigation Strategies	Opportunities
Strategic Risk	In the mall sector, we aim to enhance facilities and overall value through Asset Enhancement Initiatives (AEI). This involves upgrades such as upgrades to the usage of energy-efficient LED lightbulbs, the implementation of the PORT system and the installation of EV charging stations. We actively engage our tenants with strategic initiatives, including tenant-focused programmes aimed at boosting their sales. To boost marketing efficiency, we have implemented a range of initiatives, including festive, thematic, and signature events, along with engaging CSR campaigns. These efforts are strategically advertised across our social media channels.	Our commitment to constantly upgrading mall facilities aligns with modern consumer expectations, contributing to the positive shopping experience for both tenants and consumers. In line with our growth strategy, we are exploring strategic collaborations with local brands to capture heightened local trade interest. The management also regularly reviews the tenant mix to optimise rental revenue income.
Financial Risk	We strategically review rental renewal rates for existing tenants, applying relevant market rates for new tenants. Our credit team ensures effective rental collection throughout the year. We maintain a prudent and optimal liquidity management strategy and ensure feasibility studies and costing are conducted before initiating any property enhancement projects.	The management team closely monitors cash flow and costs to achieve Net Property Income ("NPI") growth.
Operational Risk	The mall's operational effectiveness and efficiency is guided by meticulous resource planning. We implement regular maintenance schedules for vital operational facilities such as water and power supply, aiming to minimise the risk of breakdowns. We will continue to explore more efficient and greener technological set-up available in the market to support building amenities and facilities enhancement.	If we can operate our properties in an efficient manner, we should be able to increase footfall to our retail assets and attract more tenants to our offices. This will help improve the returns from our assets.
Regulatory and Compliance Risk	Ensure compliance with local licensing requirements for mall operators.	Being compliant with regulations and internal policies ensures that we operate and maintain our properties in a safe and sustainable manner. This bodes well for the long-term value of our properties.

Business Review

AWARDS & RECOGNITION

1 **The Edge Malaysia Best Managed & Sustainable Property Awards 2023**

- Bronze for 10 Years and Above of Non-strata office category

2024 OUTLOOK & PROSPECT

The oversupply of retail and office space in the Klang Valley will continue to pose a challenge for our Property Investment Division. The vacancy rates of both segments remain high as the market will need to take time to absorb the excess capacity.

Fortunately, our portfolio of assets is currently registering healthy occupancy rates. We have to remain proactive in promoting footfall and attract spending to our retail properties, and offer value-added service to tenants in our office properties.

YouCity III, Cheras

Business Review

CONSTRUCTION

OVERVIEW

In 2023, the construction landscape in Malaysia witnessed positive growth of 8.4% in terms of the value of work done, growing from RM121.9 billion in 2022 to RM132.2 billion in 2023. Within the sector, work done for civil engineering grew the most with a 15.7% growth, supported by large-scale utility and infrastructure projects carried out in 2023. Meanwhile, work done for residential buildings grew modestly by 3.7%.

Within the business, there were challenges with the labour shortage in the first half of 2023 which was resolved later in the year. However, the challenge of inflationary pressures of material cost such as concrete and reinforcement steel is putting additional strain on construction budgets.

WHAT WE DO

OSK Construction ("OSKC") is a reliable and experienced construction partner with a strong track record of timely and quality completion. OSKC is a Class A and G7 contractor with Pusat Khidmat Kontraktor ("PKK") and the Construction Industry Development Board ("CIDB") respectively. We take pride in delivering high quality construction and building services and are accredited with the MS ISO 9001:2015 - Quality Management System, MS 45001:2018 - Occupational Health and Safety Management Systems and ISO 14001:2015 - Environmental Management System.

At the moment, OSKC focuses only on in-house developments undertaken by OSK Property. As such, we are a construction partner of the Property Development Division.

CREATING STAKEHOLDER VALUE

- In the construction industry, our collaboration with subcontractors and suppliers is crucial. OSKC continuously expands the pool of contractors to ensure the smooth flow of resources and the delivery of high-quality workmanship.
- Our workforce is the backbone of our operations; we ensure this by providing a safe and supportive working environment, offering ongoing training and development opportunities to improve their skills and knowledge.

BUSINESS HIGHLIGHTS

Our construction team received 7 contracts with an order book value of RM154 million from our Property Development Division which are a combination of 4 Landed Projects at Iringan Bayu and 3 High-rise contract on management works on foundation and Early Involvement Setup for main building for Shorea Park PH3 in Puchong, Mori Park PH1 at Shah Alam and Nuria (RSKU) in Melawati.

Financial Highlights

Revenue:
RM215 million

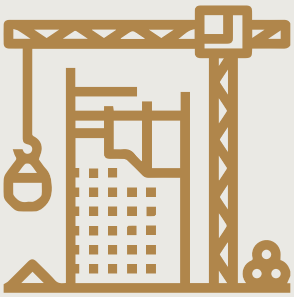
LBT:
RM(1) million

Performance Highlights

Order Book:
RM390 million

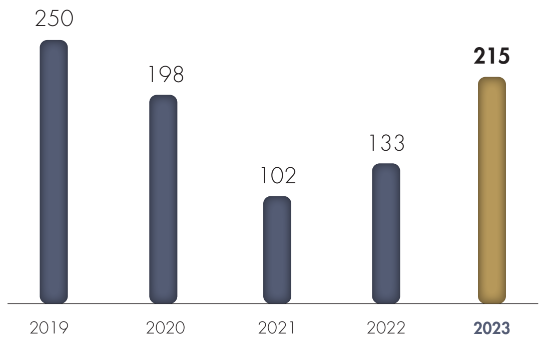
Order Book Replenishment:
RM154 million

OSK Construction is a Class A and G7 contractor with Pusat Khidmat Kontraktor (“PKK”) and the Construction Industry Development Board (“CIDB”) respectively.

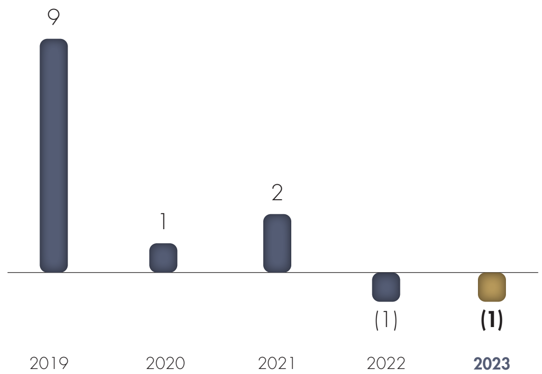


Financial Highlights

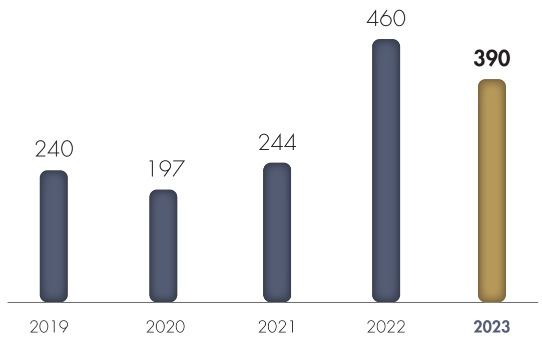
REVENUE (RM’million)



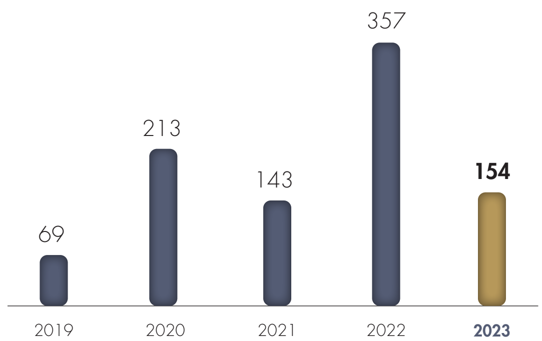
PBT/(LBT) (RM’million)



ORDER BOOK (RM’million)



ORDER BOOK REPLENISHMENT (RM’million)



Business Review

2023 KEY FOCUS AREA

Enhancing the Strategic Operating Model

Key Initiatives

- As part of our Prop-Con Model, we collaborate closely with the Property Development Division. We engage in the initial design stages of each project to optimise constructability, ensuring seamless integration and efficiency.
- OSKC actively navigates market dynamics effectively and adapts to new strategies, we are actively exploring alternative construction methods to enhance the model.

Achievements

- Achieving better quality products with QLASSIC score of above 80% under the successful Prop-Con model.
- In 2023, the division successfully delivered all projects awarded by OSK Property. These projects were completed on time, within budget and meeting the desired quality standards.

Strengthening Competitive Market

Key Initiatives

- At OSKC, we cultivate a cultivate a culture of Lean Construction method in all site operations.

Achievements

- By adopting Lean Construction, our division has improved in terms of productivity and efficiency, resulting in the production of high-quality products that meet high industry standards.

RISK/OPPORTUNITIES

	Mitigation Strategies	Opportunities
Strategic Risk	Our order book will solely come from OSK Property, as per our focus on in-house projects for the time being.	We conduct early contractor involvement and collaborate closely with the Property Development Division to engage in the initial design stages of each project to optimise constructability, ensuring seamless integration and efficiency.
Financial Risk	We actively monitor project costs and quality by adopting a hands-on management approach.	We achieve cost optimisation through internal collaboration and active quality controls.

Business Review

Operational Risk

We engage with OSK Property through an Early Contractor Involvement arrangement to resolve buildability issues early in the planning process. We also ensure that we have a wide base of suppliers who can cater for our needs so that there is minimal disruption to the construction process.

Through strategic partnerships and collaboration, we've expanded our supplier base to tackle material shortages, ensuring efficient and sustainable material use. This strategy enhances our supply chain resilience and optimises resource distribution.

Regulatory and Compliance Risk

We apply consistent checks to ensure that we comply with authorities' licensing requirements in relation to labour, sites and equipment.

Being compliant with regulations and internal policies helps us ensure that we can conduct our business in a safe and responsible manner. Operating with industry best practices also help us to minimise injury and project downtime.

Safety and health remain a key focus area for us.

2024 OUTLOOK & PROSPECT

Our Construction Segment will concentrate primarily on fulfilling the orders secured from OSK Property, with the outstanding book order standing at RM390 million at the end of FY2023. The division aims to secure more construction work by tendering competitively for new projects under OSK Property in FY2024. We are confident in registering a positive performance in the coming year, underpinned by a renewed commitment to deliver timely and high-quality construction work for our stakeholders.

Business Review

INDUSTRIES: CABLES | IBS

OVERVIEW

Several factors supported the growth of our cable business in 2023. These include the growth in the industrial and utility sectors as well as the increase in the usage for renewable energy projects particularly solar photovoltaic power generation projects. Stable raw material prices enabled Olympic Cable Company ("OCC") to better manage its cost.

The operating environment for our IBS business was also more favourable this year. We received strong demand for our wall panel products in line with rising property development activities in the year. Moreover, we observed that there is a growing emphasis on sustainability and green building practices in the market, which further elevates the need for IBS and precast products such as Acotec's wall panels. Nevertheless, we expect challenges faced by IBS players such as material cost and worker shortage continue to persist.

The progress of our Industries Segment is closely tied to the trends in construction and infrastructure projects. We are optimistic that various infrastructure projects to be rolled out by the government, as well as the increase in property development activities, would directly boost the demand for cables and IBS. Furthermore, the rollout of the National Energy Transition Roadmap should prove to be a catalyst to our cable business.

WHAT WE DO

The Group's Industrial Segment has two businesses:

- OCC which manufactures power cables and will commence manufacturing fibre optic cables in FY2024.
- Acotec which manufactures pre-cast hollow core concrete wall panels.

OCC is a leading manufacturer of power cables, serving industries including power utilities, infrastructure, construction & buildings, renewable energy, oil & gas, and telecommunications. The major product range includes copper and aluminium low-voltage and medium-voltage cables, fire-resistant cables, solar DC cables, fibre optic cables, and transmission cables.

Acotec's wall panel products are utilised in the construction of both high-rise and landed properties. Accredited as a 'Green Label' product by SIRIM, CIDB, and the Singapore Green Label Scheme, Acotec wall panels are recognised for their lightweight nature, ease of installation, and the capacity to save valuable construction time and manpower, especially when integrated with the innovative Aco-Built System.

Financial Highlights

Revenue:
RM396 million

PBT:
RM48 million

Performance Highlights

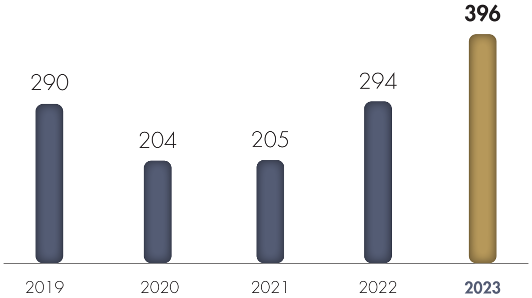
Cables Sales (KM):
20,745 KM

Wall Panel sold (m^2)
1.2 million m^2

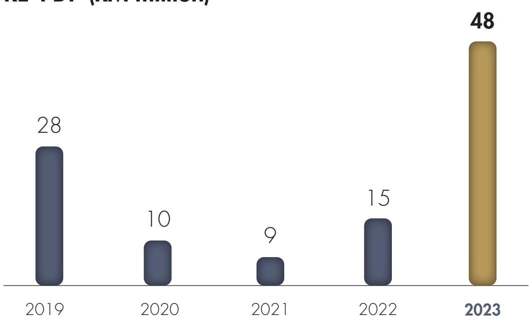
Business Review

Financial Highlights

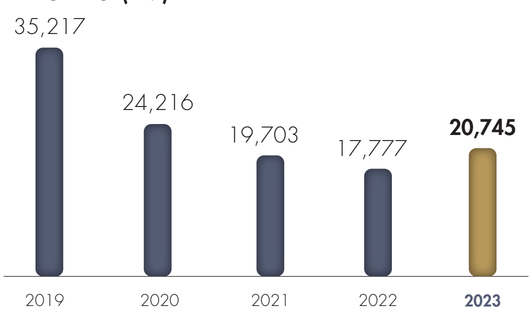
REVENUE (RM'million)



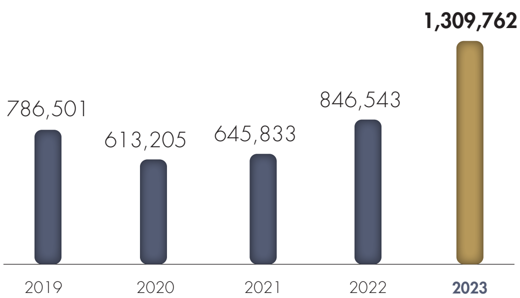
CORE PBT (RM'million)



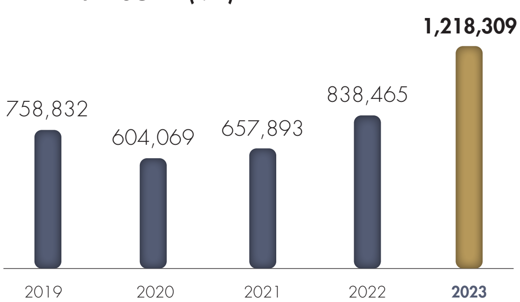
CABLE SALES (KM)



WALL PANEL PRODUCED (M2)



WALL PANEL SOLD (M2)



CREATING STAKEHOLDER VALUE

- Innovation and product development are at the core of our strategy and we are committed to our stakeholders towards continuous investment in research and development to refine our product offerings. For our cable business, this involves developing cables that are not only more durable and efficient but also eco-friendly. In the realm of IBS, our focus is on enhancing the quality, sustainability, and cost-effectiveness of our wall panels.

- Quality assurance and obtaining certifications from reputable bodies are paramount. By ensuring that our products consistently meet the highest quality standards, we build trust and credibility among our customers and partners.

- Sustainability is a goal in our operations and we are dedicated to adopt sustainable practices in our manufacturing processes, such as utilising recyclable materials and reducing energy consumption.

Business Review

2023 KEY FOCUS AREA

Market Expansion

Key Initiatives

- The Cables and IBS Divisions are proactively seeking new market opportunities to enhance market presence and sales.

Achievements

- The Cables and IBS Divisions continue to see improvements in orders, and the Group's Industrial segment recorded a pre-tax profit increase 215% YoY for FY2023.
- The expansion of the Group's cable manufacturing facilities with new production lines, along with the expansion of our IBS factory to produce new lightweight products, enables the Industries Segment to tap into new markets. The Group's IBS is anticipated to expand its coverage to the East Malaysia market.
- The introduction of a new fibre optic line is poised to strategically position the Group in the telecommunications market, offering opportunities to collaborate with major players in Malaysia's telecommunications sector.
- The Group has installed solar panels on the rooftops of Olympic Cable factory with a total capacity of 1,209.63kWp.

Operational Efficiency

Key Initiatives

- The Group's Industries Segment has continued to implement a strategic measure to enhance profit margins through production efficiency, streamlining raw material procurement, and implementing waste control measures.

Achievements

- A gradual shift from using diesel forklifts to electric-powered forklifts in Olympic Cable's factory to reduce our carbon footprint.
  Please refer to our Sustainability Report 2023 for more updates on the initiatives.
- In 2023, the IBS Division secured new orders totalling 1,700,000m² from the local and export markets.

New Innovation and Product Development

Key Initiatives

- Both Industries Segments are continuously invested in research and development to innovate and improve product offerings. For Cables, we explore developing more durable, energy efficient, and eco-friendly cables while Acotec focuses on improving the quality of our panels by increasingly stringent manufacturing processes and making our panels lighter.
- Apart from this, we adopt advanced technologies like Internet of Things (IoT) in cable manufacturing for smarter and more efficient cable solutions.

Achievements

- To bolster sustainability in our business operations, our IBS Division has successfully launched AcoLITE, our latest range of lightweight wall panels. These panels are manufactured using recycled material inputs, which underscores our commitment to sustainability.

RISK/OPPORTUNITIES

	Mitigation Strategies	Opportunities
Strategic Risk	To maintain close relationships with consultants and contractors to ensure the marketability of cable and IBS products to gain market share.	The Cables and IBS products continue to see wider adoption and market recovery. We can achieve strong performance through cost optimisation and product positioning.

Financial Risk	Performance is controlled through monitoring of key production indicators such as material costs, labour cost and production margin etc.	We have expanded our product range to enhance the revenue stream. The Industries Segment experienced stronger cost optimisation supported by stabilised raw material prices and supply of labour.
Operational Risk	Continued to implement effective production quality controls.	The Cables Division is broadening our product portfolio through capacity expansion. We will be commencing the manufacturing of fibre optic cables in 2024 to tap into the telecommunications segment. Acotec is undergoing capacity expansion through the addition of new machines and upgrades to existing ones. Additionally, our IBS products are more environmentally friendly compared to conventional bricks, giving us a competitive edge in the green construction market.
Regulatory and Compliance Risk	Consistency in compliance with local authorities' licensing requirements for labour and production operation requirements.	Being compliant with regulations ensures that we are able to operate and secure resources in an effective manner.

2024 OUTLOOK & PROSPECT

Looking ahead to 2024, we expect the Industries Segment to continue its recovery from the downturn as a result of the COVID pandemic. This is largely due to the government's commitment towards development, which is expected to drive recovery of demand.

The domestic cable market is expected to remain stable in 2024. We will continue to focus on supplying power cables to the domestic market while trying to break into export markets around the ASEAN region. As for the IBS business, it has the potential to grow if more developers start to realise that there is a locally produced IBS solution that is both cost effective and proven to work in the local market.

Business Review

FINANCIAL SERVICES AND INVESTMENT HOLDING

OVERVIEW

In FY2023, the Malaysian banking industry registered loans growth of 5.3% as the Malaysian economy continued to recover from the after effects of the COVID lockdowns in the prior years.

While there is limited data on the non-bank financing market in Malaysia, anecdotally we see that the market has remained fairly stagnant, with muted growth in the sector. Malaysia remains a well-banked market, and there is limited scope for growth in this industry at this current juncture.

In Australia, the market continued to adjust to high interest rates and persistent inflation throughout 2023. This led to a subdued first half of the year ("1H23"), with rising construction costs and low business confidence resulting in a downturn in economic activity. However, forecasts of high inbound migration, housing shortages, and decreasing inflation rates contributed to a more optimistic sentiment in the second half of the year ("2H23"). This optimism was reflected in increased confidence and activity, although the overall outlook remains cautious, especially when compared to the post-pandemic recovery experienced in 2022.

Financial Highlights (Capital Financing Division)

Revenue:
RM171 million

PBT:
RM85 million

Performance Highlights (Capital Financing Division)

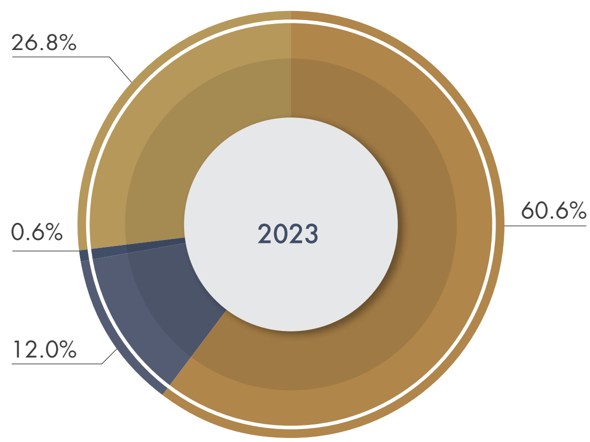
Loan Portfolio Size:
RM1,739 million

New loan disbursed:
RM1,184 million

WHAT WE DO

OSK Holdings Berhad's Financial Services and Investment Holding Segment comprises the following:

- Our 10.24% shareholding in RHB Bank Berhad ("RHB Bank").
- OSK Capital Sdn. Bhd. which offers capital financing to companies and individuals in Malaysia.
- OSK Syariah Capital Sdn. Bhd. which offers personal financing to civil servants in Malaysia under the ANGKASA deduction scheme.
- OSK Mumawal Sdn. Bhd. which offers Islamic financing to companies and individuals.
- Lyte Malaysia Sdn. Bhd., which is a fintech joint venture with Lyte Ventures of Singapore. This business offers financial services to freelancers in Malaysia, with a focus on property agents.
- OSK Capital (A) Pty. Ltd. which offers capital financing to companies and individuals in Australia.

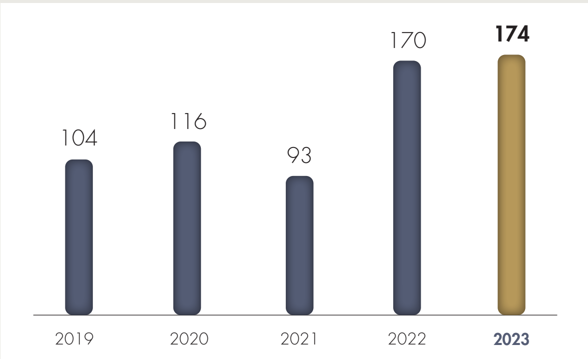


RM'million	Portfolio size	%
Capital Financing (Malaysia)	1,054	**60.6%**
Civil Servants Financing	209	**12.0%**
Freelance Financing	11	**0.6%**
Capital Financing (Australia)	465	**26.8%**

CREATING STAKEHOLDER VALUE

- Our Group remains committed to our long-term investment in RHB Bank Berhad. RHB Bank has delivered healthy dividends for our Group over the years.

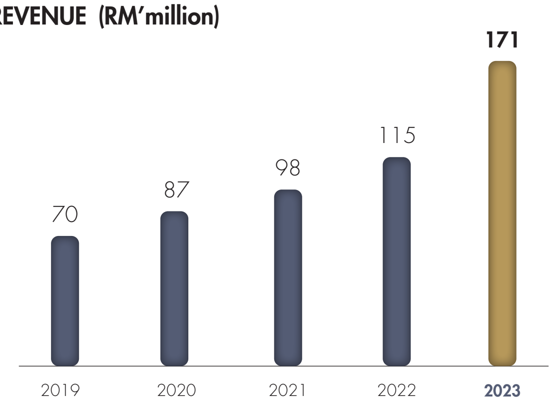
Dividend from RHB (RM'million)



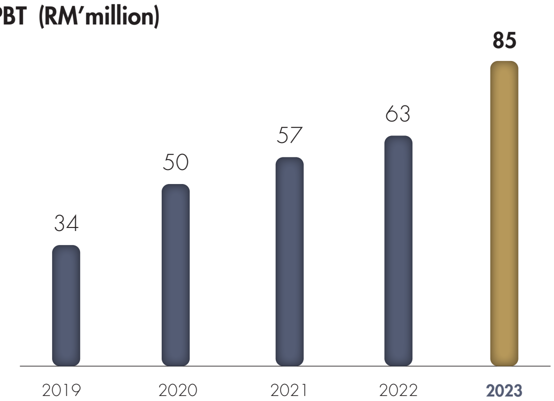
- In our Capital Financing business, our Group focuses on providing financing to the underserved segments of the market in Malaysia and Australia. By doing so, we hope to assist businesses and individuals to achieve their financial goals. This has a positive impact on business activity and ultimately benefits the economy.

Financial Highlights (Capital Financing Division)

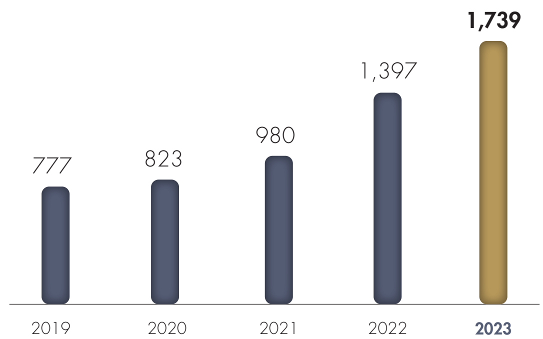
REVENUE (RM'million)



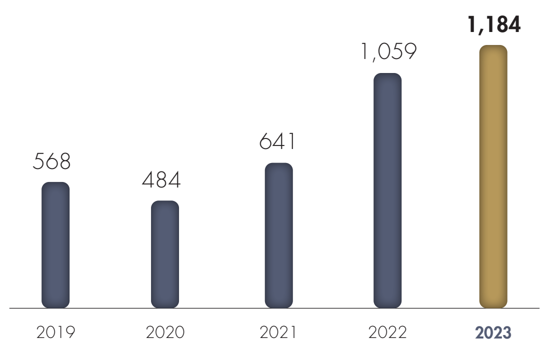
PBT (RM'million)



LOAN PORTFOLIO SIZE (RM'million)



NEW LOAN DISBURSED (RM'million)



Business Review

2023 KEY FOCUS AREA

Profitable Growth

Key Initiatives

- The capital financing business is growing its portfolio size, resulting in improved margins as its operating leverage strengthens.
- In the civil servant financing business, we believe that our socially responsible lending terms have helped to draw more customers to our fledgling business. In the long run, we hope to further grow through our competitive and responsible financing packages.
- In Australia, the team has successfully originated a healthy pipeline of loans from the market. During the year, we progressively transitioned from fixed-rate to variable-rate terms in response to the rising interest rates.

Achievements

- The Group grew our capital financing portfolio from RM1.4 billion as at 31 December 2022 to RM1.7 billion as at 31 December 2023. This larger portfolio allows us to benefit from operating leverage, thus leading to improved margins.
- We now have several financial services channels that are profitable, namely the capital financing business and the Civil Servant Financing business in Malaysia and the capital financing business in Australia.

Market Penetration and Expansion

Key Initiatives

- Our Capital team continued to build the portfolio and capture a bigger share of the non-bank financing market to reach out a wider potential customer base.
- This involved collaboration with the Government and institutions to offer tailored financial products and services that meet the unique needs and preferences of these segments.

Achievements

- In 2023, the Capital Financing business successfully obtained approval for our own ANGKASA code that will enable deduction of monthly repayment via ANGKASA.
- With the Civil Servant Financing business, the Group now has an additional financing product on offer. At December 2023, we had around 11,000 accounts under this business. As Malaysia has a very large base of more than 1.7 million civil servants, there is a vast addressable market for the business.
- In Australia, the team's proactive client servicing model and our active marketing efforts have helped us break into the non-bank funding market.

RISK/OPPORTUNITIES

	Mitigation Strategies	Opportunities
Strategic Risk	To match competition in this segment, we provide niche services to our target segment.	Our focus is on providing financial services to customers who are underserved by the banking system. In Malaysia, where the population is well-banked, we need to proactively seek customers who require our services. Upon identifying the customers, we focus on delivering a fast and efficient services to meet their needs. In Australia, where the non-bank market is larger, our focus is on delivering efficient and reliable services to our clients.

Business Review

Financial Risk	We operate our business in underserved segments of the market where the credit risk may be high. As such, we need to ensure that our credit underwriting process is rigorous and effective. Conventional methods of evaluating credit risk need to be supplemented with other data and qualitative evaluations to safeguard our position. For the capital financing business, we focus on secured lending as a way to mitigate credit risk.	Due to the inherent risk of the segments in which we operate, financing providers who have the ability and expertise to assist customers with their needs can charge higher rates, and potentially earn higher net interest margins.
Operational Risk	We continuously try to improve our operations to ensure that all of our processes from disbursement to collections are run in an efficient manner.	We are in the midst of upgrading our IT systems to create a more efficient workflow in our operations.
Regulatory and Compliance Risk	We always ensure that we have the necessary licenses to operate our lending businesses in all the relevant markets. We also seek appropriate legal advice to ensure that all of our financing activities comply with relevant regulations.	Being compliant with regulatory requirements ensures that we are a responsible player in the non-bank financial market. This is important as we aim to grow our business in a sustainable and compliant manner.

2024 OUTLOOK & PROSPECT

As we look ahead to 2024, we expect our Capital Financing Division to continue growing steadily. The capital financing business in Malaysia has built up a steady base of recurring clients which should help us to maintain our portfolio size in the future. The Civil Servant Financing business is also expected to grow steadily in the coming year as demand for financing from civil servants remains healthy. The capital financing business in Australia is still in its early stages of growth in a market that has a large non-bank financing for us to tap on. While investment in RHB Bank remain as the Group's strategic investment with a decent dividend income in FY2024. As such, we are optimistic that the business should continue to grow over the coming years.

Business Review

HOSPITALITY: HOTELS & RESORTS | VACATION CLUB

OVERVIEW

During 2023, the hospitality sector experienced a strong recovery from the global removal of COVID-19 restrictions, leading to a gradual improvement in international tourism. The lifting of these restrictions saw a resurgence in domestic leisure, travel, and business activities, positively impacting hotel occupancy rates. Statistics from Tourism Malaysia indicated that tourist arrivals doubled to 20.1 million in 2023 from 10.1 million in 2022. However, this is below the pre-pandemic level of 26.1m in 2019.

Reasons contributing to the slow recovery to pre-pandemic levels are increased airfare costs, reduced flight frequencies to Malaysia, and the delayed recovery of the Chinese leisure market. The anticipation of China's outbound travel resuming in the ASEAN region provides a hopeful outlook for better hotel performance results. In addition to the expected resurgence of the Chinese market, there is confidence in the normalisation of travel from India, Indonesia, and the Middle East, contributing positively to the sector's recovery.

WHAT WE DO

The Hospitality business under the OSK Group comprises the hotels and vacation club businesses.

Under the Swiss-Garden brand, the Hotels & Resorts Division currently manages 3 properties in Malaysia, out of which two are managed for third party owners (Swiss-Garden Bukit Bintang and Swiss-Garden Hotel and Residences Genting), one is licensed under a branding arrangement to an owner-operator (Swiss-Garden Hotel Melaka). One property is managed and owned by the Group (Swiss-Garden Beach Resort Kuantan).

The Group also owns two other hotels that are managed by international hospitality operators, namely DoubleTree by Hilton Damai Laut Resorts and Holiday Inn Express & Suites Johor Bahru.

Swiss-Garden also manages the Damai Laut Golf and Country Club, which features an award-winning 18-hole championship golf course designed by renowned golf course architect, Ronald Fream.

SGI VC is an award-winning vacation club operator with over 7,000 members.

Swiss-Garden Beach Resort Kuantan
Number of rooms: 306

Swiss-Garden Hotel & Residences Genting Highlands
Number of rooms: 532

Business Review

DoubleTree by Hilton Damai Laut Resort
Number of rooms: 294

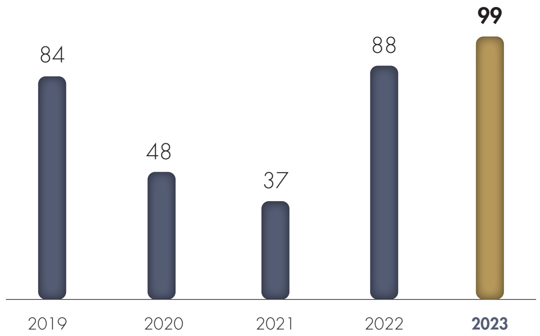
Holiday Inn Express & Suites Johor Bahru
Number of rooms: 203

Swiss-Garden Hotel Melaka
Number of rooms: 306

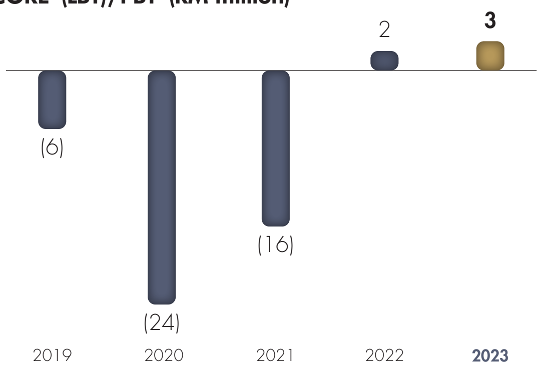
Swiss-Garden Hotel Bukit Bintang
Number of rooms: 325

Financial Highlights

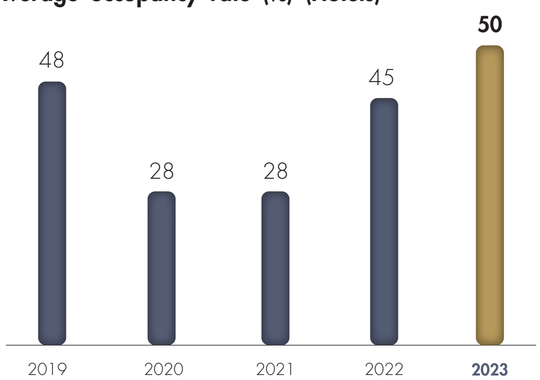
REVENUE (RM'million)



CORE (LBT)/PBT (RM'million)



Average occupancy rate (%) (Hotels)



CREATING STAKEHOLDER VALUE

- To enhance stakeholder value, we focus on maximising hotels occupancy rates and average daily rate (ADR) through efficient channel management and revenue optimisation via daily yield management.
- Our division is dedicated to improving promotional strategies, including marketing and driving our 'book direct and save' programme on the website. These approaches including the upgrading of our hotel aim to provide greater value, more flexibility, and increased satisfaction for our guests, setting us apart from competitors.
- We keep up with market trends and constantly improve our services, amenities, and technology, making the booking process easier for our members. This provides quick access to vacation information and instant booking confirmation.

Business Review

2023 KEY FOCUS AREA

Enhancing Customer Experience

Key Initiatives

- Efforts were made to increase occupancy rates by providing guests with more benefits, flexibility and peace of mind when booking direct compared to other booking platforms. The division also offered flexible group travel rates for room night bookings in volume for foreign tour groups.

Achievements

- Our Hospitality Segment experienced strong occupancy and room rates, benefiting from the year-end holiday seasons. The completion of the room refurbishment exercise at Swiss-Garden Beach Resort Kuantan and the addition of facilities to accommodate a larger capacity for corporate meetings and events at Swiss-Garden Hotel and Residence Genting Highlands will contribute positively to the division's performance.
- SGI VC has discontinued the sale of its short-term product since January 2023. With the exit of this product, SGI VC has ceased the sale of all membership term products/programs. All existing members under our programs will nevertheless, continue to enjoy their member privileges and entitlement with SGI VC. In generating additional revenues for the division, SGI VC has offered its surplus accommodation units for short and long-term lease. Besides that, these units are also made available for bookings on the various online travel agencies' platforms as well as for walk-in guests.

Upholding High Standards

Key Initiatives

- Our Hospitality teams are steadfastly dedicated to upholding our commitment to excellence and quality management across various service areas, including Human Resources, Procurement, Finance, Sales and Marketing, Marketing Communications, Information Technology, and Operations.
- This unwavering commitment plays a pivotal role in fostering trust among our guests and partners. It has also been instrumental in earning us the accolade of being a preferred Hotel Management Partner, a testament to our high standards in the hospitality industry.

Achievements

- The Group is pleased to report that it has successfully re-certified the ISO 9001:2015 Quality Management System for a further three years, ending May 2026.
- The re-certification is a continuous testament of our long-standing track record as an established hotel operator, and further solidifies our vision to be the preferred Hotel Management Partner.
- The DoubleTree by Hilton Damai Laut Resort was also presented with the Travelers' Choice Award by Tripadvisor in Year 2023. As for Swiss-Garden International, the group was recognized as one of the Top Performing Hotel Groups in Year 2023 by Booking.com.
- Holiday Inn Express & Suites Johor Bahru was acknowledged by the Johor Tourism Board as the Best Hotel under the 3-Star Category.

Sustained Growth and Profitability

Key Initiatives

- The Damai Laut Golf & Country Club is actively collaborating with a distinguished external golf consultant to drive both growth and qualitative improvements on the golf course.
- This partnership is grounded in a strategic approach to leverage the consultant's extensive experience and expertise. The club aims to utilise these insights for refining its operations, thereby enhancing both its service delivery and profitability.

Achievements

- In 2023, DoubleTree by Hilton Damai Laut Resort clinched the Best Luxury Family Beach Resort in Perak, awarded by Luxury Lifestyle Awards 2023.
- The Damai Laut Golf & Country Club proudly features an 18-hole course with new Tif Eagle Bermuda grass. This upgrade provides an enhanced playing experienced.

RISK/OPPORTUNITIES

	Mitigation Strategies	Opportunities
Strategic Risk	We are committed to enhance customer service experience through a comprehensive refurbishment exercise of guest rooms and common facilities in our hotels.	We anticipate an improvement in travels from local and foreign tourists.
Financial Risk	The management consistently maintains a prudent capital and cost management strategy in managing the operational cost and hotel refurbishment projects.	Refurbished room with revised room rates can potentially elevate the returns generated by our hotels.
Operational Risk	Strengthen our internal team through active training and development to provide better experience to hotel guests. We utilise a flexible staff recruitment strategy by hiring temporary staff from various sectors. This ensures we have enough staff available to meet guest needs while maintaining costs that align with our hotel occupancy levels.	By having adequate manning with well-trained staff, we hope to offer our guests a good experience at our hotels. It is our hope that this will encourage our guests to return to our hotels for future stays. Positive comments on booking websites and social media can also help to generate more business from new guests.
Regulatory and Compliance Risk	Consistency in compliance to authorities relating to Hotel & Resorts business.	Complying with regulations ensures that our hotels are safe and comfortable for our guests.

Business Review

AWARDS & RECOGNITION

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Swiss-Garden International

- Johor Tourism Board: Best Hotel under 3-Star Category for Holiday Inn Express & Suites Johor Bahru.
- Luxury Lifestyle Awards 2023: Best Luxury Family Beach Resort for DoubleTree by Hilton Damai Laut Resort.
- Tripadvisor Travellers' Choice Award for DoubleTree by Hilton Damai Laut Resort
- Ministry of Tourism, Art and Culture Malaysia: Asian Green Hotel Standard (2024-2026) National Level for DoubleTree by Hilton Damai Laut Resort.
- 2023 Top Performing Hotel Groups by Booking.com for Swiss-Garden International.
- Trip.com Group: Most Engaged Hotel for Swiss-Garden Hotel and Residences Genting Highlands.
- Booking.com Travellers Review Awards 8.7 for DoubleTree by Hilton Damai Laut Resort.

2024 OUTLOOK & PROSPECT

- Looking ahead to 2024, we expect the hospitality industry in Malaysia to recover further from the downturn experienced during the COVID pandemic.
- While the current recovery has been driven by domestic tourism, we hope to see further growth from increased tourist arrivals from abroad. With the introduction of visa-free entry tourists from China and India, we hope for that segment of in-bound travellers to increase in 2024.
- The Group's Hospitality Segment maintains a cautiously optimistic stance on the short-term outlook, particularly concerning international travel market demand, while remaining positive in the longer term. We plan to continue focusing on ramping up operations to pre-pandemic capacity, building on service delivery and product offerings to enhance the quality and standard of the guest experience. Our team will also leverage its strategically located quality assets to grow key business segments and attract more international visitors to our hotels.
- Overall, the Malaysian hospitality sector, including hotels and vacation clubs, is poised for growth and recovery in 2024. Driven by increased demand, improved economic conditions, enhanced and diverse hotel offerings including strategic market positioning, the sector remains attractive to both domestic and international travelers, despite challenges like rising room rates.

Business Review

CONCLUDING REMARKS

As we look ahead to FY2024, we are hopeful that we can continue to build our businesses by carefully executing our long-term strategies. Our Group operates in several mature business sectors that are highly competitive. Therefore, it is crucial for us to work diligently and plan carefully to sustain our financial performance amidst stiff competition. Our goal is to achieve steady long-term growth by executing carefully planned strategies and ensuring that we deliver healthy risk-adjusted returns to benefit all our stakeholders.

I would like to express my deep appreciation to all our team members who have worked hard to help the Group overcome the challenges we have faced. On behalf of the Management and fellow OSKers, I wish to thank all our Shareholders for your support. We also wish to express our gratitude to our customers and business associates for their support and confidence in OSK Group throughout the year.

Additionally, we extend our gratitude to the Government of Malaysia, the Government of Australia, and various regulators and government agencies in both countries for their invaluable guidance, counsel, and assistance.

Thank you.

ONG JU YAN
Group Managing Director
OSK Group

ANYA at Shorea Park, Puchong

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Sustainability Statement

Accelerating Sustainability Impact

In the face of global changes shaped by international landscape and diverse factors, urgent issues surrounding environmental and social sustainability, particularly in domains like climate change, management of natural resources, human rights, good health, and sustainable communities, are growing more acute.

We uphold our commitment to ethical practices, placing priority on people, communities, and the environment, which reflect our enduring and long-term approach to business. As we remain steadfast in our dedication to sustainability, we align ourselves with the global community to address pressing challenges, actively contributing to the creation of a sustainable society.

We conducted a comprehensive review of our strategic pillars in FY2023 in order to foster organisational alignment within the Group. Following the review, the initial three pillars have now evolved into four, a deliberate decision aimed to align with Economic, Environmental, Social, and Governance ("E+ESG") focus areas, as well as with the United Nations Sustainable Development Goals ("UNSDGs").

We understand that sustainability is an ongoing journey characterised by discovery, learning, growth, and transformation, rather than a final destination. With this understanding, we are prepared to extend our sustainability impact for the long term as we advance and evolve together with our stakeholders.

Accelerating Sustainability Impact

OUR SUSTAINABILITY BLUEPRINT JOURNEY

Our Group is committed to sustainability by carefully balancing and focusing equally not only on economic growth but also our E+ESG responsibilities. We believe that our long-term success depends not just on the profitability of our businesses but also on how well we take care of our planet, support our communities, and the way we run our company.

In FY2023, we refined our Sustainability Blueprint, which is essential in shaping our strategic direction. This enhancement has aligned our entire operation more closely with sustainability principles, ensuring a sustained and beneficial impact.

Vision

Building Sustainable Businesses of Tomorrow

Mission

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

Sustainability Governance	**Steered by**			
	Board of Directors	Sustainability Committee	Sustainability Working Group	Group Sustainability Team
	Guided by Board Charter, operational policies and relevant rules and regulations			
Sustainability Pillars	Driving Value Creation	Caring for the Environment	Elevating Societal Well-being	Championing Responsible Governance
Goals	Delivering Sustainable Returns	Sustaining Planetary Health	Fostering A Dynamic Workplace and Community	Exemplifying Governance Excellence and Efficiency
Material Matters	• Sustainable Return • Quality Products and Customer Satisfaction • Digitalisation and Innovation • Responsible Supply Chain	• Environment and Climate Action • Resource Efficiency and Responsible Consumption	• Talent Management and Empowerment • Diversity, Equity, and Inclusion • Safety, Health, and Well-being • Community Support and Development	• Governance and Regulatory Compliance • Data Privacy and Cybersecurity
In Alignment with UNSDGs				
Stakeholder Groups	Business and Industry Partners | Community | Customers | Employees | Government and Regulators | Media | Shareholders and Investors | Financiers | Supply Chain Partners			

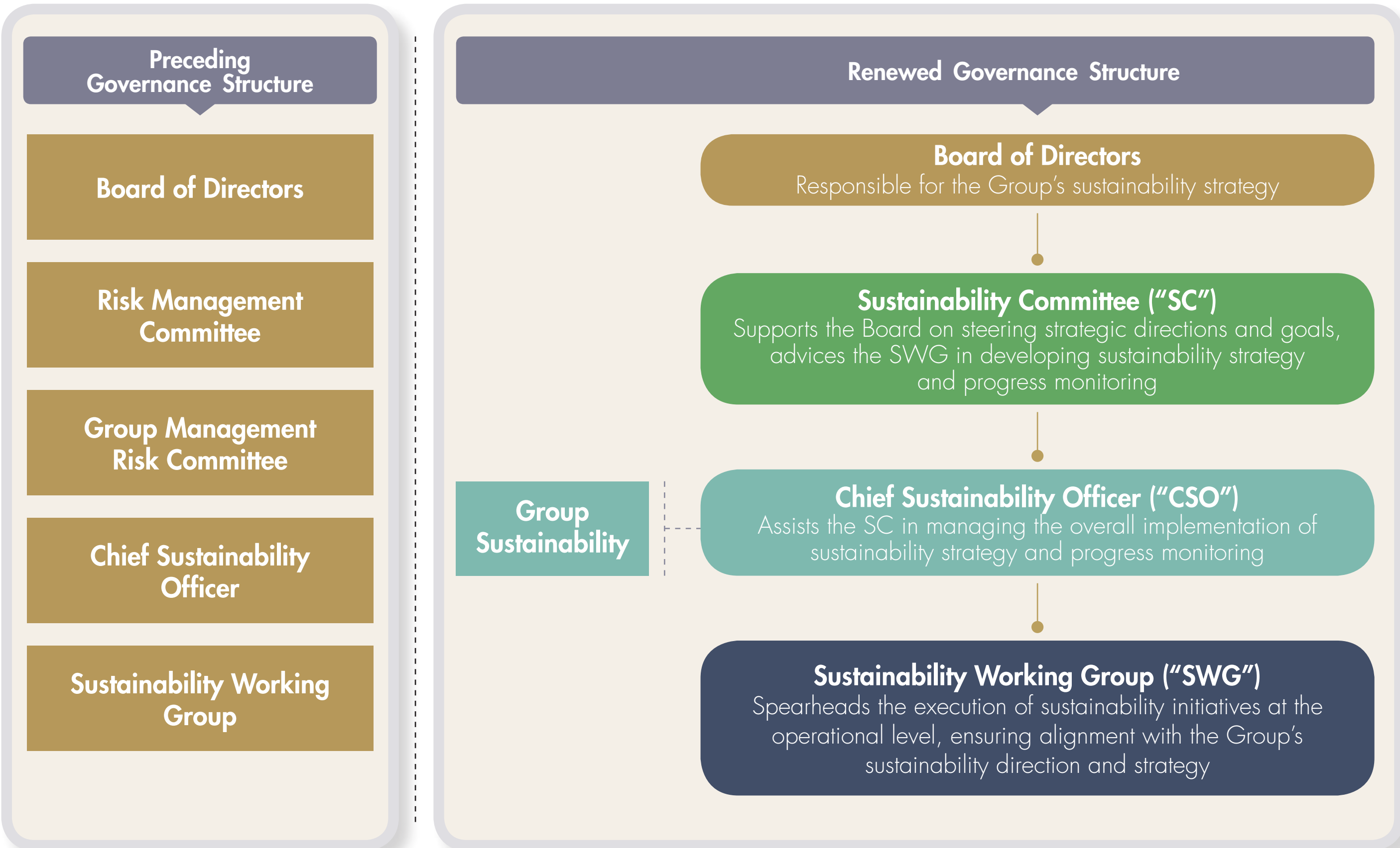
Accelerating Sustainability Impact

SUSTAINABILITY GOVERNANCE

We firmly believe that a robust corporate governance framework, in conjunction with an efficient Board, constitutes the foundation of sound corporate governance. The successful implementation of OSK Group's sustainability strategy demands active involvement from the Board of Directors ("Board") and concentrated efforts from leaders throughout the organisation.

In order to achieve our goals, we have focused on developing a governance model that integrates effortlessly with our corporate framework. This ensures that we consistently act in accordance with our sustainability objectives in order to create lasting, positive outcomes that are in line with our Group's strategic vision and principles of sustainability.

In January 2024, we completed the establishment of a dedicated Board Sustainability Committee, following the Board's directive during the November 2023 Board meeting.



Our business conduct goes beyond adhering to regulations as we are actively devoted to maintaining high ethical standards in our investments and business practices. This steadfast commitment is reinforced by our organisational culture, influencing everything we do on a daily basis.

Progressively, we have anchored this commitment in the foundation of our operations by adopting comprehensive sustainability policies, frameworks, and processes. These are now essential components of our governance, embedding our sustainability efforts firmly within the essence of our corporate philosophy.

Accelerating Sustainability Impact

ADDRESSING STAKEHOLDERS' PRIORITIES AND CONCERNS

Material Matters

We acknowledge that material matters can directly or indirectly influence our ability to create long-term value for stakeholders. Through our established governance structure, we maintain continuous oversight, addressing both current and evolving material concerns, including associated risks and opportunities. This ongoing commitment ensures the relevance of our prioritised material matters are consistently addressed and integrated into our operations daily.

Our material matters play a pivotal role in shaping the foundation of our sustainability roadmap. They influence our business strategy, guide resource allocation decisions for sustainability, and form the core of our sustainability reporting.

We consistently monitor present and potential critical issues, taking into account the risks and opportunities they present. In FY2023, we had reclassified and renamed existing identified material matters to incorporate both financial and non-financial considerations. This process involved drawing insights from diverse internal and external sources, including the perspectives of internal stakeholders, and aligning them with benchmarking standards recommended by global and industry-specific reporting bodies.

1. Identification of material matters
2. Stakeholder engagement and assessment implementation
3. Review and prioritisation of material matters
4. Approval and endorsement by the Board

Materiality Assessment

In FY2023, we undertook a materiality assessment to reassess the significance of our existing prioritised E+ESG material matters. To streamline our materiality assessment, we adopted a four-step approach to evaluate the significance of our key sustainability topics and their relevance to both internal and external stakeholders.

The outcomes of the FY2023 materiality assessment, focused on the 12 identified material matters, have been presented in the materiality matrix, underscoring the importance and relevance of prioritised sustainability issues for both our business and stakeholders.

Economic Pillar: Driving Value Creation

Sustainable Return

Why It Matters?	Our Response	Moving Forward
Sustainable return is crucial as it forms the bedrock of long-term corporate success, ensuring resilience, fostering innovation, and building trust with stakeholders. Beyond business, it contributes to societal well-being by promoting social and environmental responsibility, aligning the company with community values.	• Committed to a disciplined approach in executing long-term strategies • Emphasise strategic investments, prudent financial practices, and meticulous balance sheet management • Focus on strengthening our financial base to support continuous growth in 2024 and beyond • Continue to prioritise enhancing operational efficiency • Improve products and services to meet evolving needs and expectations of stakeholders	We will persist in our disciplined approach, leveraging strategic investments and operational enhancements to ensure sustained growth.

Accelerating Sustainability Impact

Quality Products and Customer Satisfaction

Why It Matters?

Emphasising quality products and customer satisfaction is essential for building and maintaining our organisation's reputation, ensuring lasting returns. In a competitive market, consistently delivering high-quality products builds trust, attracts and retains customers, and creates long-term value that positively impacts revenue and profitability. Our commitment to quality distinguishes us as a market leader, attracting customers who prioritise outstanding products and service.

Our Response

- Maintain ISO certifications and industry licenses, emphasising our commitment to excellence
- Proactively integrate best practices from relevant industries, showcasing dedication to quality and innovation
- Work towards surpassing industry standards
- Emphasise rigorous internal quality control measures before delivering products or services
- Enhance customer experience through systematic customer satisfaction surveys and engagement activities, and following up on them

Moving Forward

We will maintain excellence through industry certifications, exceed standards by integrating best practices, and prioritise rigorous quality control. Our commitment to enhancing customer experience remains unwavering through systematic surveys, reinforcing our position as a leader in quality and satisfaction.

Digitalisation and Innovation

Why It Matters?

Embracing digital technology and innovation is essential for staying resilient, adaptable, and ahead of the competition across all areas of business.

Targeted investments in advanced technologies enhances our operational efficiencies and provides a strong base for consistent evolution and growth.

Our Response

- Automate operations with new digital solutions such as Property Development Digital Ecosystem, Loan Origination and Loan Management system for Civil Servant Financing business
- Strategically migrate IT infrastructure to cloud computing platform in order to enhance scalability and flexibility

Moving Forward

We will continue prioritising digitalisation and innovation, exploring additional solutions, including the use of artificial intelligence, to streamline operations and enhance efficiency. Our commitment to staying at the forefront of technology remains unwavering, ensuring sustained growth and adaptability in the ever-evolving business landscape.

Responsible Supply Chain

Why It Matters?

Maintaining a responsible supply chain is crucial, both ethically and strategically, in today's world that values social responsibility. We are dedicated to high ethical and environmental standards to reduce risks, while also choosing to support local economies by working with local suppliers.

This approach not only makes our business stronger but also boosts the economic and social health of communities through fair work conditions and labour practices.

Our Response

- Prioritise local suppliers for economic growth, achieving 99% local procurement* in FY2023
- Ensure a secure working environment through health and safety controls and regular engagement sessions
- Committed to fortifying supply chain resilience by diversifying suppliers, enhancing risk management capabilities

**in respect of Property Development Division*

Moving Forward

We are committed to a responsible supply chain by prioritising local suppliers, ensuring a secure working environment, and diversifying our supplier base for enhanced resilience and sustainability.

Accelerating Sustainability Impact

Environmental Pillar: Caring For The Environment

Environment and Climate Action

Why It Matters?

In today's business landscape, companies globally prioritise climate-related goals due to the persistent challenge of global warming. Recognising our operations' impact on the planet, our long-term viability is directly linked to environmental considerations. Failing to take proactive measures to mitigate climate risks could have severe consequences for stakeholders.

Our dedication to being socially responsible and transparent is key to reducing our environmental footprint and meeting international sustainability standards.

Our Response

- Implement sustainable building practices with solar panel systems, rainwater harvesting, and electric vehicle charging stations on Group-owned properties
- Champion environmentally friendly products, including transit-oriented development, sustainable wall panels, and green services at hotels and retail properties
- Consistently improve energy efficiency through technology upgrades, reducing electricity consumption in various facilities

Moving Forward

We are steadfast in our commitment to the environment. We will expand sustainable practices, promote eco-friendly products, and enhance energy efficiency across our properties, contributing to a greener future.

Resource Efficiency and Responsible Consumption

Why It Matters?

Efficient use of resources and sustainable consumption are essential for any business, leading to not only environmental gains but also greater flexibility in uncertain times.

Adopting sustainable practices such as minimising waste and choosing eco-friendly materials allows us to maintain competitiveness. By prioritising responsible resource use, we reinforce our capacity to deal with challenges like scarcity of materials and supply chain interruptions.

Our Response

- Advocate for responsible consumption, prioritising; reduce, reuse, and recycle of materials
- Optimise resource utilisation through careful planning
- Contribute to environmental preservation and financial sustainability with conscientious waste management practices across operations and support functions

Moving Forward

Our commitment to resource efficiency and responsible consumption will remain strong. We will advocate for responsible consumption, optimise resource utilisation, and maintain conscientious waste management practices.

Social Pillar: Elevating Societal Well-being

Talent Management and Empowerment

Why It Matters?

Effective talent management is key in human resources, covering every stage of an employee's journey with the company.

By empowering our workforce, we boost their engagement, satisfaction, and productivity, which helps keep them with us longer. This strategy aligns the Group's aims with the ambitions of our employees, and is vital for building a workforce that is both flexible and adept, contributing to the company's financial success and helping us stay robust in a changing business world.

Our Response

- Prioritise professional development with a 32.5% increase in annual spending and a 10.8% rise in training hours
- Foster inclusivity and engagement through diverse activities at both Group and divisional levels
- Prioritise employee well-being with initiatives promoting physical health, including holding health-week talks, providing health checks, discounted gym access and comprehensive health insurance coverage

Moving Forward

We remain committed to talent management and empowerment. We will continue prioritising professional development and fostering inclusivity and engagement. Additionally, our commitment to employee well-being will persist through initiatives promoting physical health and comprehensive health insurance coverage.

Accelerating Sustainability Impact

Diversity, Equity, and Inclusion

Why It Matters?

Creating a work environment that values diversity and inclusion is key to our company's dynamics.

By committing to diversity, equity, and inclusion, we promote unity and collaboration, which leads to better business results. A diverse and inclusive team not only supports personal growth but is also essential for keeping our employees, boosting their dedication, and driving our company's overall success, resilience, and improved performance.

Our Response

- Firm commitment to a diverse and inclusive workplace based on fairness, equality, and respect
- Proactive implementation of the Diversity, Equity, and Inclusion ("DEI") Policy for equal opportunities
- Achieved 37.3% female representation in senior management positions, showcasing dedication to diversity and inclusivity

Moving Forward

Our commitment to DEI remains strong. We will continue fostering a workplace grounded in fairness, equality, and respect through our proactive DEI policy. Our dedication to equal opportunities and enhancing diversity at all levels will persist, ensuring an inclusive and equitable workplace for sustained success.

Safety, Health, and Well-being

Why It Matters?

Safety, health, and well-being in the workplace are essential for enhancing employee engagement and retention, creating a secured and supportive environment. Proactive efforts in addressing health, safety, and well-being concerns contribute to long-term employee commitment and stability within the workforce.

Additionally, ensuring compliance with workplace safety regulations is not only a legal requirement but also a fundamental ethical responsibility for organisations committed to ethical business practices and prioritising the well-being of their workforce.

Our Response

- Adhere to Occupational Health and Safety Management Systems
- Establish dedicated Occupational Safety and Health Committees at key operational sites for compliance with the Occupational Safety and Health Act 1994
- Conduct comprehensive periodic assessments to ensure compliance
- Provide training sessions and awareness programmes for safety and health best practices
- By adopting an Incident Management Policy and keeping detailed records with our Group Risk Management team, we have achieved notable safety outcomes

Moving Forward

We will be persistent in our commitment to safety, health, and well-being. We will adhere to Occupational Health and Safety Management Systems, ensuring compliance through dedicated OSH Committees. Ongoing comprehensive assessments, training sessions, and wellness activities will be prioritised. Our established Incident Management Policy and Risk Management team will continue fostering continuous improvement for commendable safety results across our operations.

Community Support and Development

Why It Matters?

At the core of our values is a steadfast dedication towards uplifting the communities in need within Malaysia.

Through OSK Foundation, we utilise internally generated funds and employee volunteerism to implement philanthropic initiatives focusing on education, community development and the environment. As part of our initiatives, OSK Foundation launched our Scholarship Programme in 2021 for promising students from challenging social-economic backgrounds, with the aim of helping them build successful careers and change their lives, and that of their families, for the better.

Our Response

- Committed to contributing to community betterment, especially for underserved populations through OSK Foundation. Some of our key initiatives include:
  - o Co-develop and implement programmes that address specific community issues such as basic food needs, health, literacy, life skills and job training
  - o Provide scholarships to individuals and support educational initiatives
  - o Encourage and organise volunteerism within the community for various causes and needs

Moving Forward

Our unwavering commitment to community support and development continues. Through OSK Foundation, we will persist in implementing charitable initiatives with a focus on education, community development, and environmental betterment. Our dedication to supporting youth education, including the scholarship programme and collaboration with higher education institutions, remains a priority, contributing to the overall betterment of our communities.

Accelerating Sustainability Impact

Governance Pillar: Championing Responsible Governance

Governance and Regulatory Compliance

Why It Matters?

Governance and regulatory compliance play a pivotal role in establishing the ethical foundation of an organisation. They ensure legal obligations are met, preventing consequences like reputation damage and loss of business opportunities.

Additionally, regulatory compliance protects stakeholder interests, mitigates legal and financial risks through robust risk management, and fosters enhanced transparency and accountability. These practices contribute to the broader goal of fostering peace, justice, and strong institutions in the societal context.

Our Response

- Maintain strong corporate governance, adhering to the relevant regulations
- Proactively meet evolving regulatory expectations and monitor operating licenses for compliance
- Operate under stringent risk management practices guided by internal policies
- Prioritise integrity and anti-corruption initiatives with ongoing monitoring and awareness programmes
- Reported zero cases of bribery or corruption in FY2023

Moving Forward

Our commitment to strong governance and regulatory compliance remains firm. Prioritising integrity and anti-corruption efforts, we are dedicated to maintaining trust and transparency with stakeholders through ethical practices, ensuring a zero-tolerance approach to bribery and corruption.

Data Privacy and Cybersecurity

Why It Matters?

In the contemporary digital landscape, data privacy and cybersecurity emerge as crucial pillars for ensuring business resilience. Adhering to stringent data protection practices is imperative not only for regulatory compliance but also to avoid legal implications and build trust with stakeholders.

Prioritising data security is paramount for our business as it upholds trust, ensures compliance with regulations, safeguards intellectual property, and protects sensitive financial and strategic information. Our strong belief in implementing robust data security measures reflects our commitment to thriving in an environment where information confidentiality and integrity are of utmost importance.

Our Response

- Embed data governance in our risk management framework to ensure effective data management and privacy compliance
- Align data practices with regulatory and ethical standards, particularly focusing on compliance with the Personal Data Protection Act 2010
- Proactively implementing IT risk management practices, including phishing simulations and physical briefings for employees
- Invest in advanced security tools and infrastructure controls to enhance cybersecurity capabilities
- Conduct inspection programs to ensure intermediaries maintain robust frameworks for managing cyber risks, with a focus on incident response
- Prioritising comprehensive employee trainings throughout the year resulted in no recorded complaints related to data privacy breaches in FY2023

Moving Forward

We have and will continue to strengthen data privacy and cybersecurity by embedding data governance in our risk management framework and aligning practices with regulatory standards. We will also continue to implement IT risk management measures, invest in advanced security tools, conduct regular employee training, and maintain a proactive stance against cyber risks through inspection programmes. Our aim is to uphold a secure digital environment and cultivate a culture of awareness and preparedness among our employees.

Accelerating Sustainability Impact

SUSTAINABILITY PERFORMANCE DATA TABLE (FY2023)

* Only cover Property Development division
** Only cover business travel with claims reimbursement

INDICATOR	UNIT	2023
Responsible Supply Chain		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.75*
Environment and Climate Action		
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	39,839.49
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	21,265.85
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	3,145.67**
Resource Efficiency and Responsible Consumption		
Bursa C4(a) Total energy consumption	Megawatt	39,493.13
Bursa C9(a) Total volume of water used	Megalitres	709.035200
Bursa C10(a) Total waste generated	Metric tonnes	5,900.34
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,230.30
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4,670.04
Diversity, Equity and Inclusion		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	61.86
Senior Management Above 50	Percentage	38.14
Middle Management Under 30	Percentage	2.44
Middle Management Between 30-50	Percentage	81.46
Middle Management Above 50	Percentage	16.10
Executive Under 30	Percentage	27.43
Executive Between 30-50	Percentage	63.62
Executive Above 50	Percentage	8.95
Non-Executive/Technical Staff Under 30	Percentage	47.35
Non-Executive/Technical Staff Between 30-50	Percentage	42.07
Non-Executive/Technical Staff Above 50	Percentage	10.58
General Workers Under 30	Percentage	51.09

Internal assurance | External assurance | No assurance | (*)Restated

Accelerating Sustainability Impact

INDICATOR	UNIT	2023
General Workers Between 30-50	Percentage	48.29
General Workers Above 50	Percentage	0.62
Gender Group by Employee Category		
Senior Management Male	Percentage	62.71
Senior Management Female	Percentage	37.29
Middle Management Male	Percentage	52.68
Middle Management Female	Percentage	47.32
Executive Male	Percentage	44.93
Executive Female	Percentage	55.07
Non-Executive/Technical Staff Male	Percentage	63.48
Non-Executive/Technical Staff Female	Percentage	36.52
General Workers Male	Percentage	99.69
General Workers Female	Percentage	0.31
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
30-39 years	Percentage	11.11
40-49 years	Percentage	22.22
50-59 years	Percentage	11.11
60 years and above	Percentage	55.56
Percentage of employees by ethnicity - Senior Management - Malay	Percentage	4.24
Percentage of employees by ethnicity - Senior Management - Chinese	Percentage	90.68
Percentage of employees by ethnicity - Senior Management - Indian	Percentage	2.54
Percentage of employees by ethnicity - Senior Management - Others	Percentage	2.54
Percentage of employees by ethnicity - Senior Management - Foreigners	Percentage	0.00
Percentage of employees by ethnicity - Middle Management - Malay	Percentage	29.27
Percentage of employees by ethnicity - Middle Management - Chinese	Percentage	65.37
Percentage of employees by ethnicity - Middle Management - Indian	Percentage	3.41

Internal assurance | External assurance | No assurance | (*)Restated

Accelerating Sustainability Impact

INDICATOR	UNIT	2023
Percentage of employees by ethnicity - Middle Management - Others	Percentage	1.95
Percentage of employees by ethnicity - Middle Management - Foreigners	Percentage	0.00
Percentage of employees by ethnicity - Executive - Malay	Percentage	60.24
Percentage of employees by ethnicity - Executive - Chinese	Percentage	30.02
Percentage of employees by ethnicity - Executive - Indian	Percentage	8.55
Percentage of employees by ethnicity - Executive - Others	Percentage	1.19
Percentage of employees by ethnicity - Executive - Foreigners	Percentage	0.00
Percentage of employees by ethnicity - Non-Executive/Technical Staff - Malay	Percentage	86.40
Percentage of employees by ethnicity - Non-Executive/Technical Staff - Chinese	Percentage	5.04
Percentage of employees by ethnicity - Non-Executive/Technical Staff - Indian	Percentage	6.04
Percentage of employees by ethnicity - Non-Executive/Technical Staff - Others	Percentage	0.76
Percentage of employees by ethnicity - Non-Executive/Technical Staff - Foreigners	Percentage	1.76
Percentage of employees by ethnicity - General Workers - Malay	Percentage	0.00
Percentage of employees by ethnicity - General Workers - Chinese	Percentage	0.00
Percentage of employees by ethnicity - General Workers - Indian	Percentage	0.00
Percentage of employees by ethnicity - General Workers - Others	Percentage	0.00
Percentage of employees by ethnicity - General Workers - Foreigners	Percentage	100.00
Percentage of Directors by ethnicity - Malay	Percentage	22.22
Percentage of Directors by ethnicity - Chinese	Percentage	66.67
Percentage of Directors by ethnicity - Indian	Percentage	11.11
Talent Management and Empowerment		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	2,135
Middle Management	Hours	4,487
Executive	Hours	11,249
Non-Executive/Technical Staff	Hours	11,119
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	28.43
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	25
Middle Management	Number	68
Executive	Number	214
Non-Executive/Technical Staff	Number	171

Internal assurance | External assurance | No assurance | (*)Restated

Accelerating Sustainability Impact

INDICATOR	UNIT	2023
General Workers	Number	31
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Safety, Health and Well-Being		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.0
Bursa C5(c) Number of employees trained on health and safety standards	Number	343
Community Support and Development		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,100,000.00
Bursa C2(b) Total number of beneficiaries of the investment in the communities	Number	10,846
Governance and Regulatory Compliance		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	67.80
Middle Management	Percentage	76.59
Executive	Percentage	75.15
Non-Executive/Technical Staff	Percentage	25.19
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Cybersecurity and Data Protection		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

STATEMENT OF ASSURANCE

Internal Assurance

In compliance with the Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group Internal Audit conducted a review of the Group's sustainability reporting process.

This review focused on assessing material sustainability matters and verifying the sustainability data collected that is related to common material sustainability matters across subsidiaries in Malaysia and Australia, unless stated otherwise.

All relevant recommendations identified during this review have been carefully considered and incorporated in the preparation of this report. Nothing has come to our attention that cause us to believe there is any material misstatement of the reviewed data.

Internal assurance | External assurance | No assurance | (*)Restated

LEA by The Hills, Taman Melawati

07

Leadership

Corporate Information

As at 21 February 2024

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

Leong Keng Yuen
Independent Non-Executive Director

Wong Wen Miin
Independent Non-Executive Director

Farah Deba binti Mohamed Sofian
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

Farah Deba binti Mohamed Sofian

Leong Keng Yuen

Ong Yee Ching

NOMINATION AND REMUNERATION COMMITTEE

Dato' Thanarajasingam Subramaniam
Chairman

Leong Keng Yuen

Wong Wen Miin

SUSTAINABILITY COMMITTEE

Dato' Thanarajasingam Subramaniam
Chairman

Ong Ju Yan

Ong Ju Xing

Ong Yee Ching

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, Malaysia

Chong Cheong Leong, Edmund
Chief Executive Officer, Cables

Tan Kheak Chun
Chief Executive Officer,
Industrialised Building System

Chow Hock Kin
Chief Executive Officer,
Capital Financing, Malaysia

Yeoh Peik Hong, Daidre
Chief Operating Officer, OSK Supplies

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

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

Sit Mee Leng
Chief Human Resources Officer

Mak Pick Wan, Chris
Chief Information Officer

Cheng Kee Thiam
Head, Group Internal Audit

Woo Lai Mei
Head, Group Legal

Corporate Information

As at 21 February 2024

COMPANY SECRETARIES

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

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

AUDITORS

BDO PLT
201906000013 (LLP0018825-LCA)
& AF 0206
Level 8,
BDO @ Menara CenTARa,
360 Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.

PRINCIPAL BANKERS

Alliance Bank Berhad
Bangkok Bank Berhad
Bank of China (Malaysia) Berhad
Hong Leong Bank Berhad
HSBC Bank Australia Limited
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

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

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Tel No. : (603) 2084 9000
Fax No. : (603) 2094 9940/
(603) 2095 0292
Email : info@sshsb.com.my

REGISTERED OFFICE

21st Floor, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel. No. : (603) 2177 1999
Fax No. : (603) 2026 6331
Email : cosec.cs@oskgroup.com

PRINCIPAL BUSINESS ADDRESS

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

STOCK EXCHANGE LISTING IN MALAYSIA

Main Market
Bursa Malaysia Securities Berhad
Sector : Property
Stock Name : OSK
Stock Code : 5053
ISIN Code : MYL5053OO003

CORPORATE WEBSITE

www.oskgroup.com

Corporate Information

As at 21 February 2024

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT

PROPERTY SEGMENT

PROPERTY DEVELOPMENT

OSK Property Holdings Berhad
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1688
Fax No. : (603) 2177 1687
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

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

Harbour Place Sales Gallery Butterworth
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

Shorea Park Sales Gallery Puchong
Lot 13992, Jalan Meranti Permai,
Taman Meranti Permai,
47100 Puchong,
Selangor.
Tel No. : (6018) 311 8880
www.shoreapark.com.my

Yarra Park Sales Gallery Sungai Petani
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

LEA by The Hills Sales Gallery Taman Melawati
G-4, G-5, G-6, Nadayu 63,
Persiaran Nadayu 1,
Taman Nadayu Melawati,
53100, Hulu Kelang,
Selangor.
Tel No. : (6012) 721 3497
www.leabythehills.com.my

Melbourne Square Display Gallery Australia
29 Balston Street,
Southbank, Melbourne,
VIC 3006,
Australia.
Tel No. : (61) 4 1637 1166
www.melbournesquare.com.au

PROPERTY INVESTMENT

Atria Shopping Gallery
Jalan SS22/23,
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 (Operation)
Tel No. : (603) 7972 6813 (Leasing)
Fax No. : (603) 7980 1310

Plaza OSK
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1968
Fax No. : (603) 2177 1963
www.oskgroup.com

Corporate Information

As at 21 February 2024

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

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

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

OSK Almal Sdn. Bhd.
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1611
Fax No. : (603) 2177 1613

OSK Mumawal Sdn. Bhd.
Level 21, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1611
Fax No. : (603) 2177 1613

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

OSK Syariah Capital Sdn. Bhd.
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1611
Fax No. : (603) 2177 1613

OSK eCapital Sdn. Bhd.
Level 21, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 2177 1999
Fax No. : (603) 2026 6331

Lyte Malaysia Sdn. Bhd.
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (6019) 926 5983
www.lytepay.my

Corporate Information

As at 21 February 2024

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D.)

INDUSTRIES SEGMENT

CABLES

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

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

INDUSTRIALISED BUILDING SYSTEM ("IBS")

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

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

Sales Office
Southern Region
No. 02-11, Blok 4,
Danga Bay, Jalan Skudai,
80200 Johor Bahru,
Johor.
Tel No. : (607) 232 9205
Fax No. : (607) 232 9205

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

Factory
Northern Region
76KM Butterworth-Ipoh Main Trunk Road,
34700 Simpang, Taiping,
Perak.

Factory
Southern Region
Lot PTB 1290-1298,
Jalan Tun Mutahir 5,
Kawasan Perindustrian Bandar Tenggara,
81000 Kulai,
Johor.

Corporate Information
As at 21 February 2024

HOSPITALITY SEGMENT

HOTELS AND RESORTS

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

Swiss-Garden Hotel & Residences, Genting Highlands
Windmill Upon Hills,
Genting Permai,
69000 Genting Highlands,
Pahang.
Tel No. : (603) 9213 0777
: (603) 9078 2688
(KL Sales Office)
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)
www.swissgarden.com/beach-resort-kuantan

Damai Laut Golf & Country Club
Hala Damai 2, Jalan Damai Laut,
Off Jalan Teluk Senangin,
32200 Lumut,
Perak.
Tel No. : (6019) 574 2113

Swiss-Garden Hotel Bukit Bintang Kuala Lumpur
117, Jalan Pudu,
55100 Kuala Lumpur.
Tel No. : (603) 2141 3333
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
Lot 512, Jalan Syed Mohd Mufti,
80000 Johor Bahru,
Johor.
Tel No. : (607) 218 3333

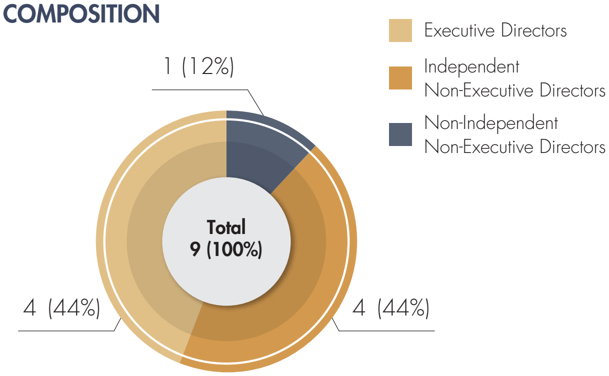
DoubleTree by Hilton Damai Laut Resort
Persiaran Swiss-Garden,
Jalan Damai Laut,
Off Jalan Teluk Senangin,
32200 Lumut,
Perak.
Tel No. : (605) 684 3333

VACATION CLUB

SGI Vacation Club Berhad
Level 14, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No. : (603) 7661 6238
www.sgivacationclub.com

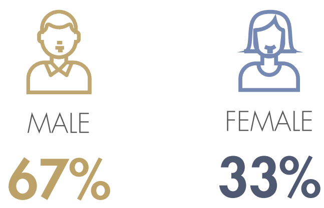
Our Board at A Glance

COMPOSITION



GENDER

Female Directors currently represent 33% of Board composition in line with government's aspiration which is also consistent with Practice 5.9 of the Malaysian Code on Corporate Governance.



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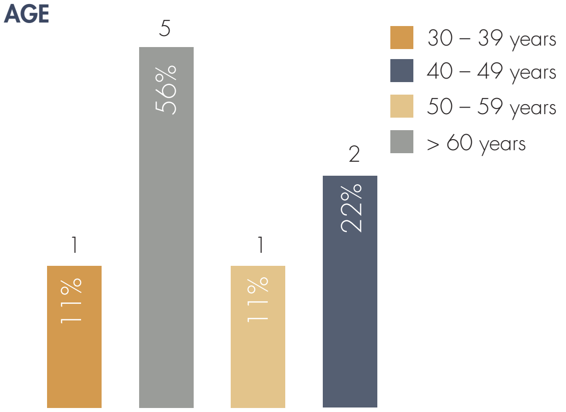
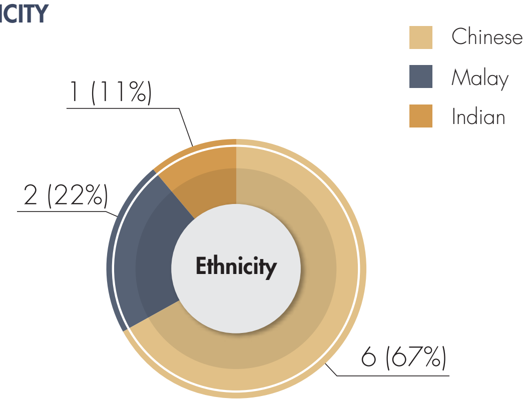
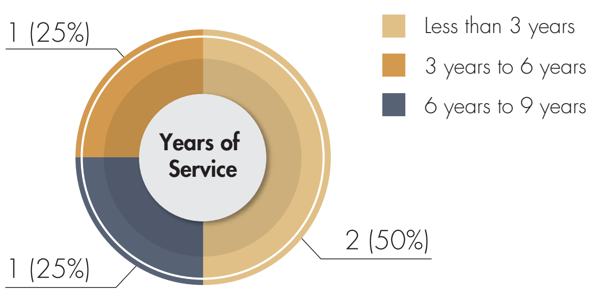


ETHNICITY



TENURE OF INDEPENDENT DIRECTORS



BOARD COMBINED SKILLS MATRIX

	No. of Directors		No. of Directors
Senior Leadership Experience	9	Strategic Planning and Business Development	9
Business/Industry Experience	9	Human Capital Management	8
Global Perspective	8	Legal and Regulatory Requirements	9
Financial Expertise/ Knowledge	8	Risk Management and Internal Control	9
Good Corporate Governance	9	Entrepreneurial Experience	6

Directors' Profile

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Executive Chairman

Date Appointed to the Board:
21 November 1990

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age 79 years | **Nationality** Malaysian | **Gender** Male

MEMBERSHIP IN BOARD COMMITTEE(S)
- Nil

OTHER DIRECTORSHIP(S)
Listed Entities
- RHB Bank Berhad
- OSK Ventures International Berhad

Public Companies
- RHB Investment Bank Berhad
- PJ Development Holdings Berhad
- OSK Property Holdings Berhad
- KE-ZAN Holdings Berhad
- OSK Foundation

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- 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
- Senior Cambridge, Federation of Malaysia Certificate awarded by Methodist English School

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
Tan Sri Ong has led the Company from a small stockbroking company and expanded its reach into diversified business interests in property development and investment, construction, industries, hospitality, and financial services.

In 2003, Tan Sri Ong established OSK Ventures International Berhad ("OSKVI"), a venture capital company based in Malaysia, which supported and incubated a number of successful technology companies in Malaysia. Currently, he is the Non-Independent Non-Executive Chairman of OSKVI.

Past Directorship(s) and/or Appointment(s):
- Since 1969, Tan Sri Ong was attached to a leading financial institution where he last held the position of Senior General Manager.
- Director, Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) (July 1999 – March 2002)
- Member, Capital Market Advisory Council (appointed by Securities Commission Malaysia for implementation of the Capital Market Master Plan) (2004)
- Member, Securities Market Consultative Panel of Bursa Malaysia Berhad (May 2004 – May 2006)
- OSK Securities Berhad, later known as OSK Investment Bank Berhad and subsequently, OSKIB Sdn. Bhd.
  - Managing Director/Chief Executive Officer (July 1985 – January 2007)
  - Group Managing Director/Chief Executive Officer (January 2007 – January 2011)
  - Non-Independent Non-Executive Director (January 2011 – April 2013)
- Director, Bursa Malaysia Berhad (2008 – 2015)
- OSK Holdings Berhad
  - Managing Director/Chief Executive Officer (May 1991 – January 2007)
  - Group Managing Director/Chief Executive Officer (January 2007 – May 2007)
  - Non-Independent Non-Executive Director (May 2007 – November 2012)
  - Chief Executive Officer/Group Managing Director (November 2012 – April 2017)
- OSK Ventures International Berhad
  - Non-Independent Non-Executive Director (December 2003 – April 2010)
  - Non-Independent Non-Executive Director (February 2013 – April 2017)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Tan Sri Ong is the major shareholder of the Company.
- He is the father of:
  - o Mr. Ong Ju Yan (Group Managing Director)
  - o Mr. Ong Ju Xing (Deputy Group Managing Director)
  - o Ms. Ong Yee Ching (Non-Independent Non-Executive Director)

Directors' Profile

ONG JU YAN

Group Managing Director

Date Appointed to the Board:
9 October 2015

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age
44 years

Nationality
Malaysian

Gender
Male

MEMBERSHIP IN BOARD COMMITTEE(S)

- Sustainability Committee – Member *(Appointed on 16 January 2024)*

OTHER DIRECTORSHIP(S)

Listed Entities

- Nil

Public Companies

- PJ Development Holdings Berhad
- OSK Property Holdings Berhad
- KE-ZAN Holdings Berhad
- SGI Vacation Club Berhad
- OCC Cables Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Arts in Economics from Yale University

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Mr. Ong has over 23 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. He was a key senior management team member who helped to build up OSK Investment Bank Berhad's regional business through acquisitions and strategic organic growth throughout ASEAN and in Hong Kong. He currently serves as Yale's Alumni Schools Committee Director for Malaysia.

Past Directorship(s) and/or Appointment(s):

- Analyst, Morgan Stanley & Co (July 2001 – April 2004)
- Chief Operating Officer and Head of Investment Banking, OSK Investment Bank Berhad (May 2004 – November 2012)
- Executive Director and Head of Group Corporate and Investment Banking Services, RHB Investment Bank Berhad (November 2012 – April 2015)
- Deputy Group Managing Director, OSK Holdings Berhad (June 2015 – April 2017)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa (Executive Chairman and Major Shareholder of the Company)
- He is the brother of:
  - o Mr. Ong Ju Xing (Deputy Group Managing Director)
  - o Ms. Ong Yee Ching (Non-Independent Non-Executive Director)

Directors' Profile

ONG JU XING
Deputy Group Managing Director

Date Appointed to the Board:
9 October 2015

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age 39 years | **Nationality** Malaysian | **Gender** Male

MEMBERSHIP IN BOARD COMMITTEE(S)
- Sustainability Committee – Member (Appointed on 16 January 2024)

OTHER DIRECTORSHIP(S)
Listed Entities
- Nil

Public Companies
- PJ Development Holdings Berhad
- OSK Property Holdings Berhad
- KE-ZAN Holdings Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Philosophy in Land Economy, University of Cambridge, United Kingdom
- Bachelor of Science in Business Management, University of London, United Kingdom

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
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 Holdings Berhad. He continues to provide strategic leadership and helm the overall property and construction pillars for the Group.

Past Directorship(s) and/or Appointment(s):
- Executive Director, OSK Holdings Berhad (October 2015 – April 2017)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa (Executive Chairman and Major Shareholder of the Company)
- He is the brother of:
  - Mr. Ong Ju Yan (Group Managing Director)
  - Ms. Ong Yee Ching (Non-Independent Non-Executive Director)

Directors' Profile

DATO' SAIFUL BAHRI BIN ZAINUDDIN

Executive Director

Date Appointed to the Board:
9 October 2015

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age
62 years

Nationality
Malaysian

Gender
Male

MEMBERSHIP IN BOARD COMMITTEE(S)
- Nil

OTHER DIRECTORSHIP(S)

Listed Entities
- Nil

Public Companies
- KAF Investment Bank Berhad
- Eastspring Investments Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science in Economics & Finance from Western Michigan University, United States of America
- Global Leadership Development Programme at Stanford University, United States of America
- Financial Institutions Directors Education Programme (FIDE)

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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. He was also a Director of KAF Seagroatt & Campbell Berhad.

Dato' Saiful Bahri's previously held positions include Executive Director of Affin Hwang Investment Bank Berhad, Executive Director of Affin Holdings Berhad, Managing Director of Affin UOB 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). He was the Financial Adviser to the State Government of Negeri Sembilan and a member of the Negeri Sembilan State Government Think Tank.

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 also appointed to the Board of Eastspring Investments Berhad on 20 June 2022. He is also a member of the Audit Committee of Universiti Sains Islam Malaysia (USIM).

Past Directorship(s) and/or Appointment(s):
- Chief Executive Officer/Executive Director Dealing, Fima Securities Sdn. Bhd. (June 2000 – September 2001)
- Executive Director Dealing, Rashid Hussain Securities (November 2001 – January 2002)
- Affin Bank Berhad and Group
  - Managing Director, Affin UOB Securities (2002)
  - Executive Director, Affin Holdings Berhad (2009 – 2010)
  - Executive Director, Affin Hwang Investment Bank Berhad (2014 – 2015)
- Independent Non-Executive Director, Bursa Malaysia Berhad (June 2008 – March 2017)
- Board Member, Securities Industry Dispute Resolution Centre (SIDREC) (April 2010 – August 2021)
- Senior Independent Director and Committee for Market Participation, Risk Management and Nomination & Remuneration of Bursa Malaysia Securities Berhad and Bursa Malaysia Securities Clearing Sdn. Bhd. (April 2015 – March 2017)
- Member, Securities Commission's Securities Law Consultative Committee
- Board of Trustee, Bumiputera Dealer Representative Education Fund and the Bumiputera Training Fund
- Advisory Council Member, Secondary Market for the Securities Commission Malaysia
- Financial Adviser to the State Government of Negeri Sembilan
- Member of the Negeri Sembilan State Government Think Tank

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Nil

Directors' Profile

DATO' THANARAJASINGAM SUBRAMANIAM

Senior Independent Non-Executive Director

Date Appointed to the Board:
19 April 2016

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age
73 years

Nationality
Malaysian

Gender
Male

MEMBERSHIP IN BOARD COMMITTEE(S)

- Nomination and Remuneration Committee – Chairman
- Sustainability Committee – Chairman
- Risk Management Committee – Member
- Audit Committee – Member

OTHER DIRECTORSHIP(S)

Listed Entities

- Nil

Public Companies

- PJ Development Holdings Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master of Arts, New York University
- Bachelor of Arts, University of Malaya

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Dato' Thanarajasingam has extensive experience in both the public and private sectors. He has served as a Malaysian diplomat for more than 36 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.

Dato' Thanarajasingam 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.

Past Directorship(s) and/or Appointment(s):

- Director, OSK Investment Bank Berhad (2010 – 2011)
- Director, MRCB Quill Management (2017 – 2019)
- Independent Non-Executive Director, OSK Ventures International Berhad (April 2013 – April 2023)
- Independent Non-Executive Director, OSK Holdings Berhad (April 2016 – May 2018)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Directors' Profile

LEONG KENG YUEN
Independent Non-Executive Director

Date Appointed to the Board:
25 May 2018

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age
73 years

Nationality
Malaysian

Gender
Male

MEMBERSHIP IN BOARD COMMITTEE(S)
- Audit Committee – Chairman
- Nomination and Remuneration Committee – Member
- Risk Management Committee – Member *(Appointed on 22 November 2023)*

OTHER DIRECTORSHIP(S)
Listed Entities
- Nil

Public Companies
- Datin Seri Ting Sui Ngit Foundation
- The Perak Chinese Welfare Association

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Member, Malaysian Institute of Accountants (MIA)
- Master of Science in Management, Massachusetts Institute of Technology
- Bachelor of Engineering (First Class Honours), University of Queensland, Australia

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
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.

Past Directorship(s) and/or Appointment(s):
- Independent Non-Executive Chairman, OSK Ventures International Berhad (April 2013 – April 2023)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Nil

Directors' Profile

WONG WEN MIIN
Independent Non-Executive Director

Date Appointed to the Board:
1 July 2021

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age 66 years
Nationality Malaysian
Gender Female

MEMBERSHIP IN BOARD COMMITTEE(S)
- Risk Management Committee – Chairman
- Audit Committee – Member
- Nomination and Remuneration Committee – Member

OTHER DIRECTORSHIP(S)
Listed Entities
- Kim Teck Cheong Consolidated Berhad
- SHH Resources Holdings Berhad

Public Companies
- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Economics, University of Malaya
- Bachelor of Science in Resource Economics, University Putra Malaya
- Diploma in Public Administration, National Institute of Public Administration ("INTAN") Malaysia
- Advanced Leadership Management Programme, INTAN Malaysia

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
Ms. Wong started 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 ("MoF"). Throughout her 30 years of service with the MoF, she was actively involved in policy making with Central Bank Malaysia, Securities Commission Malaysia and relevant government agencies in spearheading The Insurance Act 1996, Financial Services Act 2013 and Islamic Financial Services Act 2013. She served in several positions 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 also served in the Housing Loan Division as Division Deputy Secretary (Operation and Finance Sector) and Strategic Investment Division as Deputy Under Secretary (Investment Evaluation Sector) MoF. 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. During her tenure with the Malaysian civil service, Ms. Wong received accolades for her meritorious service to the country including the Federal awards of Kesatria Mangku Negara and Johan Setia Mahkota from DYMM Yang Di Pertuan Agong.

Past Directorship(s) and/or Appointment(s):
- Independent Non-Executive Director, Ecobuilt Holdings Berhad (November 2018 – November 2021)
- Independent Non-Executive Director, DXN Holdings Berhad (February 2022 – July 2022)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Nil

Directors' Profile

FARAH DEBA BINTI MOHAMED SOFIAN

Independent Non-Executive Director

Date Appointed to the Board:
15 December 2022

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age
55 years

Nationality
Malaysian

Gender
Female

MEMBERSHIP IN BOARD COMMITTEE(S)

- Risk Management Committee – Member

OTHER DIRECTORSHIP(S)

Listed Entities

- Nil

Public Companies

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Legum Baccalaureus (LL.B), International Islamic University Malaysia
- Master of Laws, King's College, University of London

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Puan Farah Deba is an Advocate & Solicitor currently a partner with Messrs Wong Lu Peen & Tunku Alina. Puan Farah Deba started her practice in Messrs Zaid Ibrahim & Co. from 1993 to 2003. She then established her own practice as Farah Deba & Associates before she was invited to join her current firm. Backed by 32 years of active legal practice, apart from corporate, commercial, real estate, banking, construction, infrastructural and intellectual property work, Puan Farah Deba's current special focus is in private wealth, inheritance and succession industry advising families across generations. Puan Farah Deba is a registered member of the Society of Trust & Estate Practitioner ("STEP"), a global professional body comprising lawyers, trustees and other practitioners that help Muslim and non-Muslim families, business and wealth owners across multiple jurisdictions and generations plan for their futures. Puan Farah Deba is the current STEP Malaysia Branch Chairperson.

Past Directorship(s) and/or Appointment(s):

- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Directors' Profile

ONG YEE CHING

Non-Independent Non-Executive Director

Date Appointed to the Board:
19 April 2016

Attendance for Board Meeting in FY2023:
4/4 (100%)

Age	Nationality	Gender
46 years	Singaporean	Female

MEMBERSHIP IN BOARD COMMITTEE(S)

- Risk Management Committee – *Member*
- Sustainability Committee – *Member (Appointed on 16 January 2024)*

OTHER DIRECTORSHIP(S)

Listed Entities

- Nil

Public Companies

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master Degree in Commerce (Finance), University of New South Wales, Australia
- Bachelor of Commerce (International Business), Curtin University of Technology, Australia

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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.

Past Directorship(s) and/or Appointment(s):

- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Ms. Ong is the daughter of Tan Sri Ong Leong Huat @ Wong Joo Huat (Executive Chairman and Major Shareholder of the Company)
- She is the sister of:
  - Mr. Ong Ju Yan (Group Managing Director)
  - Mr. Ong Ju Xing (Deputy Group Managing Director)

Declaration

Saved as disclosed, all the Directors:

- Have no conflict of interest with the Company other than disclosed under Note 4.3 to the Financial Statements of this Integrated Annual Report 2023;
- Have not been convicted of any offence (other than traffic offence) within the past five (5) years; and
- Have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

Full write-up on the profile of the Directors can be found on the Company's corporate website at https://www.oskgroup.com/overview/.

Key Senior Management's Profile

PUAN SRI KHOR CHAI MOI

Executive Director, PJ Development Holdings Berhad

Date Appointed to the Key Senior Management Position: 19 September 2000

Age	Nationality	Gender
71 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- PJ Development Holdings Berhad
- OCC Cables Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, University of Hull, United Kingdom
- Bachelor of Business Degree in Accounting, University of South Queensland, Australia

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Puan Sri Khor has experience in the manufacturing business mainly involved in the production of Acotec panels. She also has vast experience heading the Dindings Consolidated Group, and is actively involved in property development, construction, trading and insurance services. She was the Managing Director of Willowglen MSC Berhad before her retirement on 31 July 2013.

Past Directorship(s) and/or Appointment(s):

- Managing Director, Willowglen MSC Berhad (May 1998 – July 2013)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Puan Sri Khor is the wife of Tan Sri Ong Leong Huat @ Wong Joo Hwa (Executive Chairman and Major Shareholder of the Company)

- Puan Sri Khor is the mother of:
  - Mr. Ong Ju Yan (Group Managing Director)
  - Mr. Ong Ju Xing (Deputy Group Managing Director)
  - Ms. Ong Yee Ching (Non-Independent Non-Executive Director)

ONG GHEE BIN

Chief Executive Officer, Property Development

Date Appointed to the Key Senior Management Position: 2 November 2015

Age	Nationality	Gender
62 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Engineering (Honours) in Civil Engineering, University of Malaya

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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.

Past Directorship(s) and/or Appointment(s):

- Director, Projects, OSK Holdings Berhad (July 2015 – October 2015)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Key Senior Management's Profile

CHONG CHEONG LEONG, EDMUND

Chief Executive Officer, Cables

Date Appointed to the Key Senior Management Position: 1 December 2022

Age	Nationality	Gender
53 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- OCC Cables Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Engineering (Honours) in Communication and Electronic, University of Northumbria, Newcastle, United Kingdom
- Graduate Engineer, Board of Engineers Malaysia (BEM)

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Mr. Chong began his career with Tamco Electrical & Electronics (M) Sdn. Bhd., a subsidiary of Tamco Corporate Holdings and subsequently joined Hi-Essence Cable Sdn. Bhd., where he last held the position of Chief Operating Officer.

Past Directorship(s) and/or Appointment(s):

- Chief Operating Officer, Hi-Essence Cable Sdn. Bhd (2012 – 2022)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

TAN KHEAK CHUN

Chief Executive Officer, Industrialised Building System

Date Appointed to the Key Senior Management Position: 1 July 2011

Age	Nationality	Gender
55 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Science in Finance, Southeast Missouri State University, Missouri, United States of America

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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

Past Directorship(s) and/or Appointment(s):

- Chief Operating Officer of Acotec Sdn. Bhd. (2008 – 2011)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Key Senior Management's Profile

CHOW HOCK KIN

Chief Executive Officer, Capital Financing, Malaysia

Date Appointed to the Key Senior Management Position: 1 January 2020

Age	Nationality	Gender
63 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Commerce, James Cook University, Queensland, Australia

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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

Past Directorship(s) and/or Appointment(s):

- Director, Capital Financing, OSK Holding Berhad (January 2012 – December 2019)
- Associate Director, Capital Financing, OSK Holding Berhad (July 2009 – December 2011)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

YEOH PEIK HONG, DAIDRE

Chief Operating Officer, OSK Supplies

Date Appointed to the Key Senior Management Position: 1 September 2019

Age	Nationality	Gender
49 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Associate of Institute of Chartered Secretaries and Administrators, London, United Kingdom
- Diploma in Business Management, Tunku Abdul Rahman College

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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.

Past Directorship(s) and/or Appointment(s):

- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Key Senior Management's Profile

TING CHUN HONG, IVAN

Chief Executive Officer, Vacation Club
Chief Operating Officer, Hotels
Date Appointed to the Key Senior Management Position: 1 December 2014

Age	Nationality	Gender
57 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- SGI Vacation Club Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, University of Southern Queensland, Australia
- Postgraduate Diploma in Business Management, Prime College

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:
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.

Past Directorship(s) and/or Appointment(s):
- Chief Operating Officer, Vacation Club (January 2013 – November 2014)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

CHEW CHENG LEONG, EDWIN

Chief Executive Officer, Capital Financing, Australia
Date Appointed to the Key Senior Management Position: 1 July 2021

Age	Nationality	Gender
59 years	Australian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Certified Practising Accountant, CPA Australia

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:
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.

Past Directorship(s) and/or Appointment(s):
- Executive Director, CIMB Securities (Australia) (September 2014 – May 2015)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Key Senior Management's Profile

NG LAI PING

Group Chief Financial Officer

Date Appointed to the Key Senior Management Position: 16 May 2016

Age	Nationality	Gender
54 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Fellow, Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Ms. Ng began her career with Ernst & Young before joining Sunway Berhad in 2004 where she held various leadership positions. She brings with her more than 30 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.

Past Directorship(s) and/or Appointment(s):

- Deputy Group Chief Financial Officer, Sunway Berhad (2011– 2016)
- Group Chief Financial Officer, Sunway Holdings Berhad (2009 – 2011)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

TIO JUN LIM

Director/Head, Corporate Strategy
Chief Sustainability Officer

Date Appointed to the Key Senior Management Position: 1 October 2019

Age	Nationality	Gender
50 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Member, Malaysian Institute of Accountants
- Member, Malaysian Institute of Certified Public Accounts (MICPA).

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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.

Past Directorship(s) and/or Appointment(s):

- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Key Senior Management's Profile

SIT MEE LENG
Chief Human Resources Officer
Date Appointed to the Key Senior Management Position: 1 September 2022

Age	Nationality	Gender
60 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES
- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, University of Warnborough, United Kingdom

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
With her passion for Human Resources and People Development, Ms. Sit began her career in Human Resources over 30 years ago in a Fortune 500 company. She was assigned to country and regional roles in multiple spectrum of Human Resources functions before joining OSK.

Past Directorship(s) and/or Appointment(s):
- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Nil

MAK PICK WAN, CHRIS
Chief Information Officer
Date Appointed to the Key Senior Management Position: 1 January 2014

Age	Nationality	Gender
58 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES
- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science in Computer Science and Mathematics, Campbell University, North Carolina, United States of America

WORKING EXPERIENCE AND OCCUPATION
Relevant Experience:
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.

Past Directorship(s) and/or Appointment(s):
- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)
- Nil

Key Senior Management's Profile

CHENG KEE THIAM

Head, Group Internal Audit

Date Appointed to the Key Senior Management Position: 13 September 2021

Age	Nationality	Gender
39 years	Malaysian	Male

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Member, Malaysian Institute of Accountants

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

Mr. Cheng has over 15 years of internal audit experience, including international exposure in China, Bangladesh, Vietnam, Australia and Thailand. 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.

Past Directorship(s) and/or Appointment(s):

- Nil

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

WOO LAI MEI

Head, Group Legal

Date Appointed to the Key Senior Management Position: 1 January 2018

Age	Nationality	Gender
59 years	Malaysian	Female

OTHER DIRECTORSHIP(S) AT PUBLIC COMPANIES

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Degree of an Utter Barrister (at Law)
- Graduated from the University of Buckingham, United Kingdom with LLB (Second Class Upper, Honours).

WORKING EXPERIENCE AND OCCUPATION

Relevant Experience:

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.

Past Directorship(s) and/or Appointment(s):

- Head of Legal, OSK Holdings Berhad (September 2015 – December 2017)

FAMILY RELATIONSHIP WITH OTHER DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S)

- Nil

Note:

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 Integrated Annual Report 2023.

Declaration

Saved as disclosed, all the Key Senior Management:

- Have no conflict of interest with the Company other than disclosed under Note 4.3 to the Financial Statements of this Integrated Annual Report 2023;
- Have not been convicted of any offence (other than traffic offence) within the past five (5) years; and
- Have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

Melbourne Square, Melbourne, Australia

Swiss-Garden Hotel Bukit Bintang

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Commitment to Good Corporate Governance

Chairman's Statement on Corporate Governance

Dear Valued Stakeholders,

On behalf of the Board of Directors ("Board") of OSK Holdings Berhad ("OSK" or "the Company"), I am honoured to present the Company and its subsidiaries' ("OSK Group" or "the Group") Corporate Governance Overview Statement for the financial year ended 31 December 2023 ("FY2023"). At OSK Group, we are committed to maintaining our robust corporate governance framework. We believe that strong governance practices are essential for the long-term success of the Group, allowing us to remain resilient in the evolving market environment.

Chairman's Statement on Corporate Governance

We manage governance of the Group not merely by adhering to prescribed rules and regulations, but also promoting open and transparent discussions, as well as constructive challenges in the Board and across the Business Units. We always strive to maintain best practices, and governance forms an integral part of our strategy and decision-making processes.

I am proud of the progress we have made in harmonising the interests of our shareholders and other stakeholders, resulting in a balanced and sustainable approach to corporate governance. We firmly believe that the Group's success should be measured not only by our financial performance but also by our positive impact on society and the environment.

CORPORATE GOVERNANCE STANDARDS AND SUSTAINABILITY PRACTICES

Throughout the financial year 2023, we continue our journey towards good corporate governance practices with continuous improvements aligned with the Group's strategies, policies, and ethical business conduct. This commitment extends to prioritising Economic, Environmental, Social and Governance ("E+ESG") in our resources, risk management, and processes, aligning with the ethos of 'Moving Forward, Progressing Together.' in our corporate direction.

In the context of our governance framework, we demonstrate our commitment to accountability, transparency, and integrity to ensure that our decisions and actions drive a positive impact on our diverse stakeholders.

The Group has in place an established risk management framework to manage the risks of its business and operations. One of the key features of the risk management framework is a structure comprising three lines of defence with established and clear functional responsibilities and accountabilities for the management of risk.

As part of our continuous initiative to enhance our ESG framework, the Group established the Sustainability Committee on 16 January 2024, to advance the Group's direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group.

The Group actively conducts comprehensive system readiness reviews and meticulously assesses the progress of project implementation. This entails a rigorous examination of adherence to pre-determined timelines, milestones, and project objectives. These reviews serve as a critical checkpoint to ensure that all due processes have been meticulously followed before the implementation or launch of significant systems development and enhancement projects.

On the next page, you will find a comprehensive overview of our corporate governance practices, including our approach, achievements, and ongoing efforts. I encourage you to explore this report to gain a deeper understanding of our commitment to reflecting good corporate governance practices.

Notably, our governance approach enables us to pursue transformative change in our governing structure, processes, and actions with mindful governance outcomes.

We are immensely grateful to all our stakeholders for your support throughout last year, and look forward to continuing to serve you with pride this year. Thank you for entrusting us with your confidence and support.

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

Corporate Governance Overview Statement

The Board of OSK is pleased to present our Corporate Governance ("CG") Overview Statement ("Statement") to provide shareholders and investors with key insights into the CG practices of the Group for the FY2023.

This Statement provides an overview of the corporate governance practices adopted by the Group for the FY2023 based on the following:

(a) Companies Act 2016;

(b) Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities");

(c) Malaysian Code on Corporate Governance ("MCCG");

(d) Corporate Governance Guide;

(e) Minority Shareholders Watch Group Malaysia – ASEAN Corporate Governance Scorecard; and

(f) Developments in market practice and regulations.

In addition, this Statement is to be read in conjunction with the Company's CG Report for the FY2023 which contains details on the application of each of the Practices as well as the departures and alternative measures established within the Group.

The CG Report is available on the Bursa Securities' and the Company's website.

www.bursamalaysia.com/market_information/announcements/company_announcement
www.oskgroup.com/corporate-announcements

As of 31 December 2023, OSK has applied all Practices of the MCCG, save for Practice 5.2 (at least half of the board comprises independent directors; for large companies, the board comprises a majority of independent directors) and Practice 8.2 (the board discloses, on a named basis, the top five Senior Management's remuneration component including salary, bonus, benefits-in-kind, and other emoluments in bands of RM50,000).

PRINCIPLE

A	B	C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Corporate Governance Overview Statement

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 strategic intent, governance and structure of the Board and its committees, including the authority, matters reserved for the Board, guidance on Board's conduct and the Terms of Reference ("TOR") of the Board and its committees. The Board Charter is reviewed periodically to ensure that the Company is able to adapt to changing business circumstances, to respond to changing macroeconomic factors and regulatory requirements. The Board is satisfied that they have fulfilled their collective and individual responsibilities to all shareholders on how the affairs of the Company are managed and operated during the year under review.

In the FY2023, the following key activities have been carried out by the Board:

Strategy

- Reviewed and approved the Company's strategies, business plans (2023-2025) and policies.
- Oversaw the conduct of the Company's businesses and evaluated whether the businesses are being properly managed and sustained.
- Ensured the Company is a sustainable, successful and thriving organisation in the long run and striking a balance between the E+ESG factors.

Risk, Compliance and Oversight

- Ensured a sound risk management framework.
- Ensured the adequacy and integrity of the Company's internal control system.
- Ensured the integrity of the Company's financial and non-financial reporting.

Governance

- Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour.
- Ensured competency and succession planning of the Board and Key Senior Management.
- Ensured effective communication with stakeholders.
- Reviewed and approved the corporate governance policies, Enterprise Risk Management Framework and TOR of the AC to ensure its consistency with the Board's objectives, all applicable laws, rules and regulations as well as best practices.

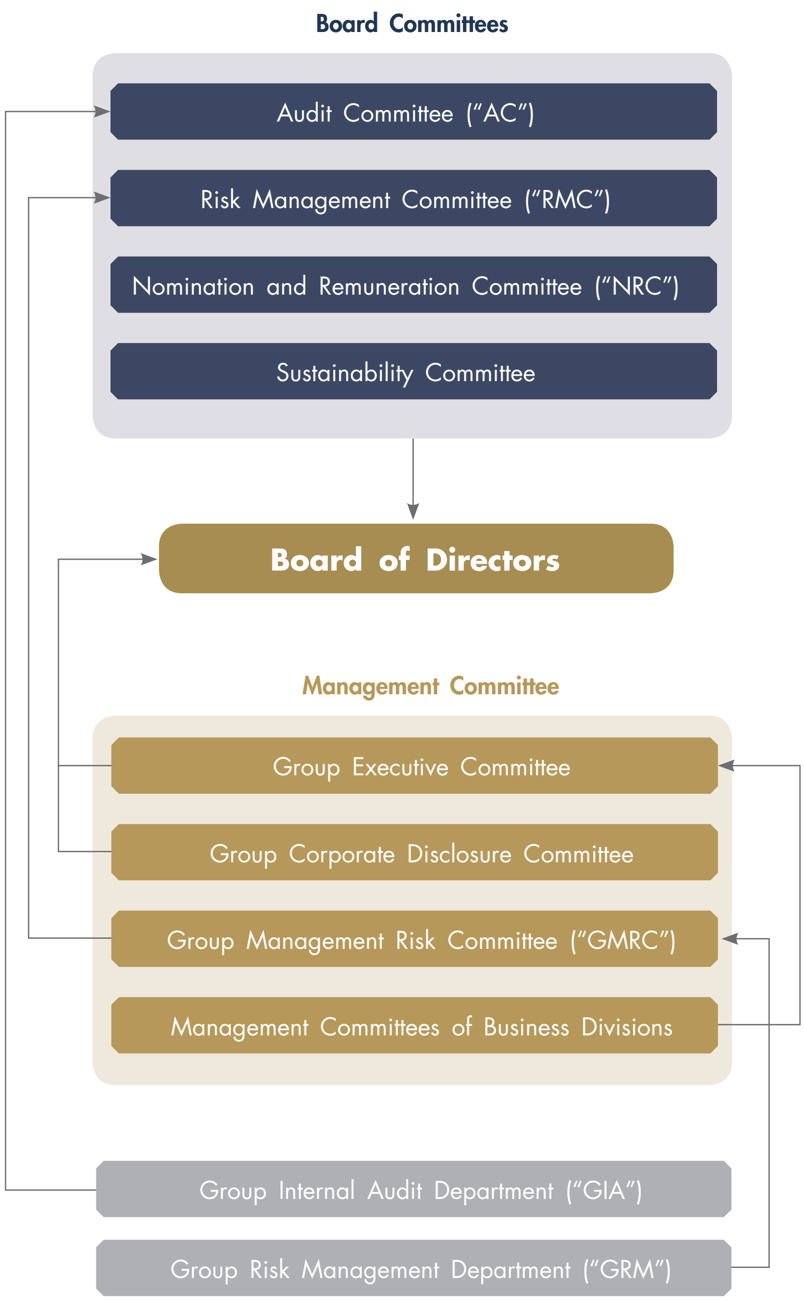
For the effective functioning of the Board, the Board has established Board Committees and Management Committees to assist in the discharge of its responsibilities.

Corporate Governance Overview Statement

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

II. BOARD GOVERNANCE

The Group's Governance Structure as at 21 February 2024 is outlined as follows:



The Board views corporate governance as a fundamental process contributing towards achieving long-term shareholders value, taking into account the interest of all other stakeholders. 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 which are complemented by approved authority matrix and supported by various policies and procedures. The Board periodically updates the TORs of the Board Committees to ensure that they adopt CG best practices and consistent with rules and regulations prescribed under the Listing Requirements and MCCG.

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 of the Company. Tan Sri Ong is not a member of the Board Committees which are chaired by Independent Non-Executive Director. Apart from the Sustainability Committee, the Board Committees comprise either a majority of Independent Non-Executive Directors, or exclusively of Independent Non-Executive Director.

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

None of the Directors holds more than three directorships in listed issuers which is well within the Listing Requirements to limit directors to a maximum of five directorships in listed issuers. The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities and commitment to the Group.

The Board is supported by two Company Secretaries, one a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and the other a 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 have kept abreast with 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.

III. BOARD COMMITTEES

The Board has met four times during the FY2023 and has other ad-hoc discussions/informal meetings to discuss strategic and policy matters. All Directors have attended all the Board meetings held during the FY2023 and have 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 FY2023 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	2/2
6.	Leong Keng Yuen	4/4	4/4	–	2/2
7.	Wong Wen Miin	4/4	4/4	4/4	2/2
8.	Farah Deba binti Mohamed Sofian	4/4	–	–	–
9.	Ong Yee Ching	4/4	–	4/4	–

The Board meetings are determined in advance to enable Directors to plan ahead and incorporate the meetings into their respective schedule. Notice and Board meeting papers are distributed to all Directors at least five business days before each Board meeting. Relevant members of Senior Management have also been invited to attend selected Board meetings to support the Board.

Corporate Governance Overview Statement

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

IV. KEY GROUP POLICIES

The Board collectively takes responsibility to ensure proper policies are in place to promote good business conduct with high ethical behaviour and integrity in protecting shareholder value while taking into account the interest of stakeholders including employees, business partners, local communities, regulators and general public. The following policies have been established by the Board:

Code of Conduct and Business Ethics

The Company has in place a Code of Conduct and Business Ethics that 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 stakeholders.

Conflict of Interest Policy

The Conflict of Interest Policy has been revised and approved in November 2023. The said Conflict of Interest Policy aims to set out what constitutes conflict of interest and potential conflict of interest and to provide guidance in managing situations involving conflict of interest.

Fit and Proper Policy

The Board adopts the Fit and Proper Policy that sets out the criteria in relation to a fit and proper requirement for Directors within the Group by exemplifying integrity and good character to promote and support an ethical culture.

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

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has developed and adopted an ABAC Handbook. The ABAC Handbook defines and enforces the Group's zero tolerance position on bribery of all forms, matters of corruption and inappropriate conduct. This ensures the Group's continuous compliance with enforceable anti-bribery and anti-corruption laws.

Fraud Policy

The Group revised and approved the Fraud Policy in November 2023 to supplement its stand on anti-bribery and anti-corruption matters. The Fraud Policy spells 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.

Whistleblowing Policy

The Group has put in place the Whistleblowing Policy to contribute to an environment where integrity and ethical behaviour are maintained and any potentially illegal or improper conduct and/ or wrongdoing within the Group may be exposed. The AC oversees the administration of the Whistleblowing Policy in an impartial manner, under the purview of the Board. The Whistleblowing Policy has been revised and approved by the Board in November 2023.

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

The Group has put in place the RPT & RRPT Policy 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.

Corporate Governance Overview Statement

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

The Group has in place the AML Policy that 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. The policy also sets the guidelines on compliance with financial regulatory requirements and surveillance in the Group's business dealings with stakeholders.

Disciplinary Procedures

The Group has revised and approved the Disciplinary Procedures to cater for misconduct on act of corruption or bribery and social media matters.

The Disciplinary Procedures sets 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 Policy, Conflict of Interest Policy, ABAC Handbook and the Whistleblowing Policy are available for viewing on the Company's website.

www.oskgroup.com/corporate-governance

V. SUSTAINABILITY

Given the Board's emphasis on the importance of sustainability to the Group, the Board has established the Sustainability Committee on 16 January 2024, to advance the Group's direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group. The Board has adopted a Sustainability Policy in February 2013. A revision was completed in January 2024 to strengthen the Group's commitment to sustainability.

To encapsulate the Group's position as a purpose-driven organisation and to further strengthen its ability to contribute towards meaningful change to society, the latest revision of the policy has focused on additional efforts needed to build greater organisational resilience and agility; to increase the Group's competitiveness; and to maintain high standards of compliance and ethics in the Group's businesses.

Concurrently, the Board oversees the renewed Sustainability Framework adopted in year 2023 which sets out the strategic focus and commitment for sustainability in the coming years.

The Board remains the ultimate authority accountable for delivering the targeted milestones under the Group's sustainability agenda. This includes sustainability governance structure, priorities, targets, climate-related risks and opportunities as well as integration of sustainability considerations throughout the Group. The Board is supported by the Sustainability Committee, Chief Sustainability Officer and the Sustainability Working Group, as stated in the sustainability governance structure detailed in the Group's latest Sustainability Policy.

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 Integrated Annual Report 2023 ("IAR2023"), as well as our Sustainability Report 2023.

Our IAR2023 and Sustainability Report 2023 are available on the Company's website.
www.oskgroup.com/corporate-announcements

Corporate Governance Overview Statement

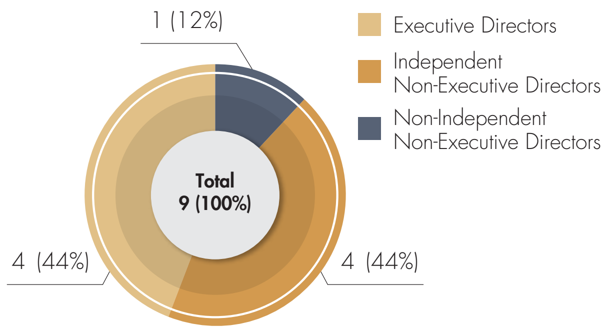
PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

VI. BOARD COMPOSITION

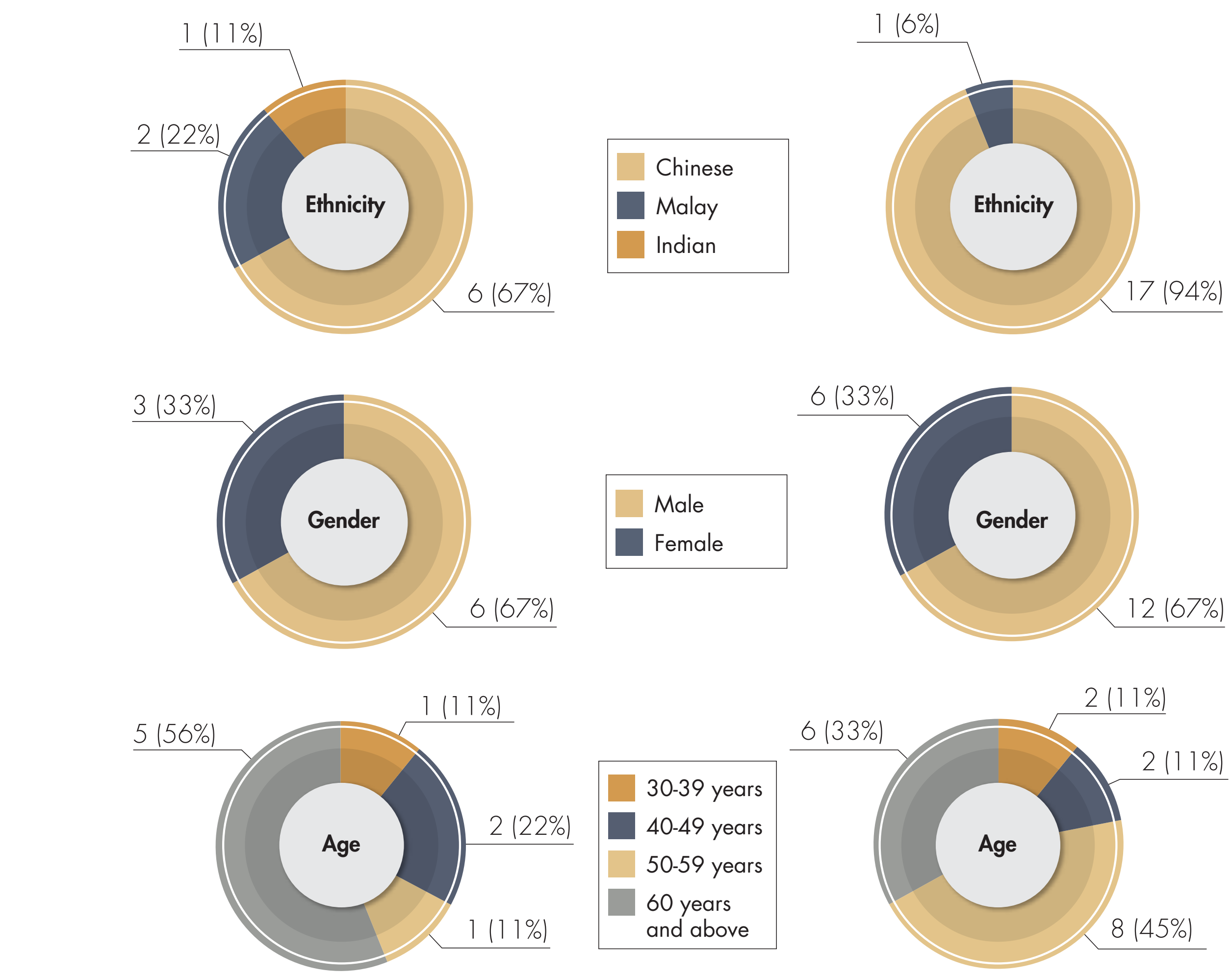
The Company believes that enhancing the social and professional diversity among Board and Senior Management is essential in realising its strategic objectives and ensuring the Group's sustainable growth. For the appointment of any Board and Senior Management, a number of aspects, including but not limited 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 2023, are illustrated as below:

Board Membership



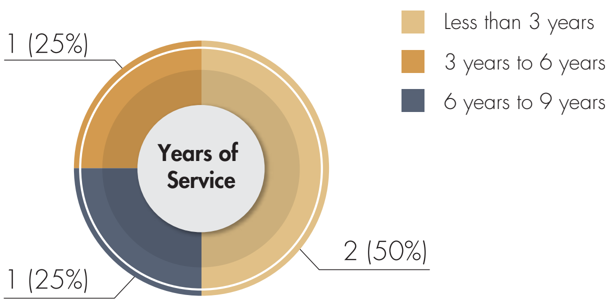
Board and Senior Management Diversity



Note: ^ includes four Executive Directors

Corporate Governance Overview Statement

Independent Non-Executive Directors' Years of Service



Board Combined Skills Matrix

	No. of Directors		No. of Directors
Senior Leadership Experience	9	Strategic Planning and Business Development	9
Business/Industry Experience	9	Human Capital Management	8
Global Perspective	8	Legal and Regulatory Requirements	9
Financial Expertise/ Knowledge	8	Risk Management and Internal Control	9
Good Corporate Governance	9	Entrepreneurial Experience	6

Pursuant to the Board Charter of the Company, the tenure of an Independent Non-Executive Director is limited to a cumulative period of nine years. As at 31 December 2023, none of the Independent Non-Executive Directors had exceeded their nine-year tenures.

The Company has 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 will 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.

The Group is led by an experienced and competent Board with diverse expertise, experiences and skillsets, as per the Board Combined Skills Matrix. The Board deems its composition as appropriate in terms of its size, membership and tenure of Independent Non-Executive Directors. There is a good mix of skills and core competencies among members of the Board. Every individual Director possesses one or more skillsets.

In addition, to ensure adequate checks and balances, all the Board Committees of the Company are chaired by an Independent Non-Executive Director. Apart from the Sustainability Committee, the Board Committees comprise either a majority of Independent Non-Executive Directors, or exclusively of Independent Non-Executive Directors.

The Board is also committed to ensure greater diversity in the representation of women within the Board and Senior Management through the adoption of the Diversity and Inclusion Policy. The Board, through the NRC, reviews the gender diversity of the Board and Senior Management annually. The Diversity and Inclusion Policy is available on the Company's website.

www.oskgroup.com/corporate-governance

VII. NOMINATION AND REMUNERATION COMMITTEE

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 Board, through the NRC, is also responsible to ensure that there is an orderly succession planning for the Board and Key Senior Management of the Group. The Board has adopted the Group Succession Planning Framework to achieve the following:

(a) Ensure leadership continuity in key positions and to reduce risk due to leadership attrition;
(b) Retain and develop talents with high intellectual and knowledge capital for future sustainability;
(c) Encourage individual development; and
(d) Build a deep pool of talented employees who are ready to step into leadership roles.

The NRC is chaired by Dato' Thanarajasingam Subramaniam, the Senior Independent Non-Executive Director of the Company.

Corporate Governance Overview Statement

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

VIII. ANNUAL ASSESSMENT

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 performance aspects included in the assessment criteria for the Board, Board Committees and individual Directors, are described as below:

Evaluation	Assessment Criteria
Board	• Board mix and composition • Understanding of the Group's values, mission, strategic and business plans • Succession planning and development • Oversight on risk and internal controls • ESG risks and considerations • Monitor sustainability Key Performance Indicators and targets for Senior Management • Board effectiveness • Communication to stakeholders
Board Committees	• Composition • Effectiveness in the respective jurisdictions • Group and business support • Contribution to financial and non-financial performance • Communication to Board
Individual Directors	• Overall skillset and competency • Time commitment • Preparation for meetings • Contribution to Board oversight and leadership • Performance in discharge of fiduciary duties

The Assessment Mechanism and Measurement System is available on the Company's website.
www.oskgroup.com/corporate-governance

In the FY2023, the NRC has carried out the abovementioned assessments. Assessment on Board Committees has been conducted by way of self-assessment, whilst assessment on individual Directors has been conducted by peer assessment.

The results indicated that the Board as a whole, the Board Committees, and each individual Director has performed well and are effective in discharging their respective fiduciary duties. The overall composition of the Board in terms of size, combined skills and experience, tenure of Independent Directors, core competencies and balance between the Executive Directors, Non-Executive Directors and Independent Directors, is deemed appropriate. Independent Directors have also performed their role in exercising independence and upheld corporate accountability. In addition, the NRC has 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 has also been provided with the result of his/ her individual assessment together with accompanying comments, if any, for personal reference and further development.

Corporate Governance Overview Statement

In addition, during the FY2023, the NRC has conducted its assessment covering the following areas:

- The performance and fit and proper of the Directors who will be retiring at the 33rd Annual General Meeting ("AGM") in year 2023, 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 Executive Directors including the Group Managing Director, who is primarily responsible for the day-to-day operation of the Company's business;
- 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;
- The performance of the Company Secretaries in order to ensure the Board is supported by suitably qualified and competent Company Secretaries; and
- Reviewed and recommended for the Board's approval on the appointment of Mr. Leong Keng Yuen and Puan Farah Deba binti Mohamed Sofian as additional members of the RMC.

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.

IX. CONTINUING DEVELOPMENT AND TRAINING

All Directors of the Company emphasises 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 FY2023 are tabled below:

Name of Directors	Training Programmes
Tan Sri Ong Leong Huat @ Wong Joo Hwa	• Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) • Invest Malaysia 2023 Series 1: Strengthening Resilience and Sustaining Growth • Invest Malaysia 2023 Series 2: Digital Malaysia Tomorrow's Infrastructure • Anti-Bribery and Corruption • Key Updates on Malaysia Taxation & Budget 2023 • Emerging Risks in the Financial Industry • Shariah Programme: Islamic Finance, Islamic Fintech and Digital Banking
Ong Ju Yan	• Regional Strategic Forecast: Trade & Industry in Transition • Management of Cyber Risk • EPF Private Markets Summit 2023 • Invest Malaysia: Reshaping Malaysia Narrative - Series 1 • Mandatory Accreditation Programme Part II: Leading for Impact
Ong Ju Xing	• EPF Private Markets Summit 2023 • CEO Series 2023

Corporate Governance Overview Statement

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

Name of Directors	Training Programmes
Dato' Saiful Bahri bin Zainuddin	• Invest Malaysia 2023 Series 1: Strengthening Resilience and Sustaining Growth • Capital Market Director Programme Module 4: Emerging and Current Regulatory Issues in the Capital Market • Annual Anti-Money Laundering Training • Invest Malaysia 2023 Series 2: Digital Malaysia: Tomorrow's Infrastructure Today • Board Cyber Security Awareness Program • CDMP Module 4: Information Technology/Cyber Risk Training Eastspring Malaysia with Eastspring Singapore Director • 2023 Advanced ABCT Training • Cybersecurity Training for Board - Eastspring Investment • Eastspring Malaysia: 2023 Advance ABC Training (Anti-Bribery & Corruption Training for Higher Risk Roles)
Dato' Thanarajasingam Subramaniam	• Remaking Corporate Governance for an ESG World
Leong Keng Yuen	• The Role of Accountants in Managing Cybersecurity Risk • The Winning Approach to Finance Transformation: The Race for Relevance Technology Opportunities for the Finance Function • Digital Accountant: Digital Skills in a Transformed World • The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting • Unlocking Business Efficiency through Digitalisation with E-invoicing • Unclaimed Moneys Act 1965 Awareness Programme • Unlocking Growth: The Hidden Costs of Analog in a Digital World • Mandatory Accreditation Programme Part II: Leading for Impact
Wong Wen Miin	• MIA Webinar Series: Everything about Dividend • Mandatory Accreditation Programme Part II: Leading for Impact
Ong Yee Ching	• "Attracting – Selecting – Engaging – Retaining Talent: How to leverage a truly unique talent analytics tool" with Charlie Lang • Empowering the Future, Exploring The Wonder, Reality & Potential of Artificial Intelligence • Philanthropy Trends & Perspectives from India • Management of Cyber Risk • Resilience in Transformation, Piyush Gupta, CEO, DBS Bank • In Conversation with The Right Honourable Dame Jacinda Ardern • The Future of Global Talents: Achieving success for talent sustainability in your Organisation • Open Artificial Intelligence: Early Lessons and Issues for Board Directors • Navigating Family Philanthropic Future Across Generations

Corporate Governance Overview Statement

Name of Directors	Training Programmes
Farah Deba binti Mohamed Sofian	• Bursa Malaysia Mandatory Accreditation Programme • AIA Live Event "What Makes Islamic Estate Planning 'Islamic'" (as a speaker) • AIA Lunch Talk "Wealth Transfer: Estate Distribution Process" (as a speaker) • Forum for Asia Pacific Wealth Advisors @ Singapore • "Developing the Right Solutions For Islamic Estate Planning In Malaysia: Seeking Balance In The Eyes Of Law And Faith @ Johor" (as a speaker) • AIA Islamic Estate Planning "Estate Planning for High Net Worth Client" (as a speaker) • AIA Islamic Estate Planning "Estate Planning for High Net Worth Client-Fundamentals" (as a speaker) • "Why & How To Create Generational Wealth of Your Family Legacy" (as a speaker) • "Demystifying Legacy Planning" (as a speaker) • The Medico-Legal Society of Malaysia (MLSM) Regional Medico-Legal Conference 2023 "What Should The Law Provide For? Avoiding Physical & Financial Abuse & Wealth Management" (as a speaker) • Persidangan Reformasi Undang-undang Pentadbiran Pusaka, Faraid & Hibah Orang Islam Dalam Era Digital: Cabaran & Peluang Baru • STEP Malaysia Seminar Islamic Estate Planning - The Malaysian and Labuan experience thus far • "Islamic Retail Trust & Estate Planning" (as a speaker)

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, sustainability matters as well as current business issues and concerns, from time to time.

X. 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 FY2023, the NRC has carried out an annual review of the Directors' remuneration, whereupon its recommendations have been 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 is collectively determined by the Board, in accordance with NRC's recommendations. Each Director concerned abstains from deliberation and voting on his/her own remuneration.

The details of Directors' remuneration for the FY2023, 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 IAR2023.

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 Chairman of the AC, Mr. Leong Keng Yuen, is not the Chairman of the Board. The Chairman is responsible for ensuring the overall effectiveness and independence of the Committee in assisting the Board on discharging the oversight responsibilities relating to corporate accounting, financial reporting practices, system of internal controls, the audit process, the administration of Whistleblowing Policy as well as uphold integrity in financial reporting. The AC is also responsible to provide independent oversight on the Group's financial reporting process, audit process, internal control and compliance with relevant laws and regulations. The performance of AC members is reviewed by the NRC annually.

In line with the TOR of the AC, the AC will not appoint former partner of the external audit firm of the Company as its member unless the former audit partner has observed a cooling-off period of at least three years before being appointed as a member of the AC. As of 31 December 2023, none of the AC members are former partners of the external audit firm of the Company.

The Company has in place a process to consider the appointment/ reappointment of External Auditors. The process requires the AC to assess the External Auditors' compliance with the qualification criteria including, evaluating the independence, objectivity and performance of the External Auditors. As part of its remit, the AC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained. BDO PLT, the Company's external auditors, has shared its Annual Transparency Report 2022 to the AC as required.

The AC's composition and details of the key activities carried out by the AC during the FY2023 are set out in the AC Report of our IAR2023.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group Risk Management Department ("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 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 mitigating 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 IAR2023.

Corporate Governance Overview Statement

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Board is committed to provide timely, fair, meaningful and reliable disclosures 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 Group Corporate Disclosure Committee that functions under the purview and authority of the Board has been formed to carry out the policy. The policy has been updated and approved by the Board in November 2023.

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 milestones and successes. These include, but are not limited to, AGM, annual report, sustainability report, quarterly financial announcements and material disclosures to Bursa Securities, press releases, media and investor engagements, customer events, as well as the Company's website.

The details of the stakeholder engagements in 2023 are provided in the Sustainability Statement in our IAR2023.

The Company's designated senior management officer, Group Chief Financial Officer, 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 IAR2023.

In 2024, the Company issued its first IAR2023, based on the International Integrated Reporting Council's Integrated Reporting Framework. Through this IAR2023, the Company demonstrates its continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability on the Company.

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 FY2023, the Company has leveraged on technology to facilitate greater shareholders' participation and electronic voting for the conduct of poll on all resolutions via Remote Participation and Voting facilities for the virtual 33rd AGM held on 18 April 2023. An Independent Scrutineer is appointed by the Company to verify the results of the poll voting.

The Notice of 33rd AGM, the relevant explanatory notes providing background information, reports or recommendations related to the proposed resolutions and the Form of Proxy has been sent to shareholders at least 28 days prior to the date of the 33rd AGM, so as to afford shareholders sufficient time to consider the proposed resolutions at the 33rd AGM as well as to allow for arrangement of proxies to attend the 33rd AGM on their behalf, if so required.

All Directors, Chairmen of AC, RMC and NRC as well as Group CFO have attended and participated in the 33rd AGM. The Group Managing Director and Deputy Group Managing Director have presented the financial performance highlights of the Group for the FY2022. In addition, written queries from the Minority Shareholders Watch Group and corresponding responses from the Company have also been presented.

The Chairman of the 33rd AGM has ensured that ample time is given to shareholders to raise issues relating to the affairs of the Company during the Question and Answer sessions. Questions posed by shareholders have been displayed and responded to by the Directors.

The Minutes of the 33rd AGM has been made available to the shareholders within 30 business days after the 33rd AGM at the Company's website.

www.oskgroup.com/agm/

Corporate Governance Overview Statement

KEY FOCUS AREAS AND FUTURE PRIORITIES

Enhance Sustainability Disclosures

We are dedicated to transparency in reporting material issues across our public domains, adhering to Bursa Securities' Enhanced Sustainability Reporting requirements, alongside other widely recognised sustainability reporting frameworks and standards.

We continually strive for improvement in sustainability reporting, regularly updating disclosures in response to evolving circumstances, goals, and stakeholder expectations. Additionally, to ensure a consistent understanding of goals, metrics, and reporting requirements, briefing and engagement sessions are in place for internal stakeholders involved in sustainability data compilation process.

In 2023, we enlisted our internal audit team for a thorough internal review. Moving forward, we have plans to obtain third-party assurance or certifications in the coming year to validate the accuracy and reliability of our sustainability disclosures.

Review of Governance Policies

The Board will review and update the existing policies as and when necessary to ensure they are updated in accordance with the prevailing legal and regulatory promulgations as well as best practices.

Promote Diversity

We are committed to foster a diverse, inclusive, and non-discriminatory environment throughout the Group's operations. To promote diversity, we embrace a wide range of perspectives, encompassing diverse skills, backgrounds, abilities, professional and industry experiences, age, gender and ethnicities. By cultivating such diversity, we aim to enhance the Group's competitiveness and ensure long-term sustainable business growth for the future.

Talent Development and Leadership Pipeline

We ensure a continuous supply of suitable talent to meet the Group's future leadership and growth needs, ensuring the long-term sustainability of our organisation. This involves cultivating a talent pipeline at various organisational levels, with a commitment to developing and retaining key talent, identifying high-potential leaders, and implementing comprehensive programmes to groom and foster future leaders. Through strategic investment in talent development, we aim to drive success and maintain a solid foundation for the Group's sustained growth and prosperity.

This Statement has been approved by the Board of Directors of the Company on 22 February 2024.

Audit Committee Report

The Audit Committee ("AC") plays a crucial role in assisting the Board of Directors ("Board") in meeting its responsibilities. The authority, duties, and functions of the AC are outlined in the Terms of Reference ("TOR"). The AC conducts periodic reviews and updates of the TOR to maintain its relevance in response to regulatory adjustments and changes in the Company's direction and strategies. The TOR underwent its most recent update and approval in November 2023, and it is accessible to the public on the Company's website at www.oskgroup.com/corporate-governance.

In the financial year ended 31 December 2023 ("FY2023"), the AC fulfilled its functions and duties in accordance with its TOR. The AC is pleased to present its report for the FY2023.

AC COMPOSITION AND ATTENDANCE OF MEETINGS

Name of Director/Designation/Directorship	Number of Meetings Attended
Leong Keng Yuen (Chairman) Independent Non-Executive Director	4/4 (100%)
Dato' Thanarajasingam Subramaniam (Member) Senior Independent Non-Executive Director	4/4 (100%)
Ms. Wong Wen Miin (Member) Independent Non-Executive Director	4/4 (100%)

The AC consists solely of Independent Non-Executive Directors with diverse range of skills and expertise to fortify its role as steward of oversight. The composition of the AC conforms with the requirements in Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements") and Practice 9.1 (Chairman of the AC is not the Chairman of the Board), Practice 9.2 (Observing cooling-off period of at least three (3) years before being appointed as a member of AC) and Step-Up Practice 9.4 (AC comprises solely Independent Directors) under the Malaysian Code on Corporate Governance ("MCCG").

The AC meetings were also attended by the Group Managing Director, Non-Independent Non-Executive Director, Independent Non-Executive Director, Group Chief Financial Officer, Head of Finance, Head of Group Internal Audit, senior representatives of the external auditors (when required), Management's representatives from business unit (when required) and the Company Secretary to provide briefings and detailed explanations on their reports.

The Company Secretary is responsible for coordinating administrative aspects such as calling for meetings and recording minutes. The minutes of these meetings were confirmed at the AC meeting and presented to the Board for notation. Key action items identified from the AC meetings were shared with relevant attendees for follow-up and updates, ensuring that actions were taken as needed.

SUMMARY OF ACTIVITIES

Internal Audit

1. Reviewed and approved the risk-based annual internal audit plan, ensuring the Internal Audit ("IA") function has the necessary resources, competencies and budgets for effective operations;
2. Deliberated the IA assessments or investigation results, and assessed the actions taken by Management to address the reported audit issues;
3. Evaluated the performance of the IA function, including capabilities, objectivity and independence; and
4. Conducted a private session with the Head of Internal Audit in November 2023 without the presence of Management. The matter of assessing the cybersecurity readiness of the Group was also discussed.

Financial Reporting

1. Reviewed quarterly financial results and annual financial statements to ensure compliance to the reporting and disclosure requirements. Recommended them to the Board for approval, with a focus on changes in accounting policies, audit differences, the going concern assumption, unusual events and adherence to accounting standards and legal requirements;
2. Discussed with Management the applied accounting principles, standards, and critical judgments, emphasising accounting estimates that could impact financial results; and
3. Confirmed with Management and external auditors that the Group's and Company's audited financial statements

Audit Committee Report

were prepared in accordance with laws, regulations, and applicable financial reporting standards.

External Audit

1. Reviewed the external auditors' interim financial information review plan and final audit plan. Discussed their approach, areas of focus, key dates, deliverables, any updates on financial reporting or changes to reporting requirements, as well as reviewed their audit and non-audit fees, transparency report and other relevant matters before the start of interim and annual audits;
2. Reviewed the results of the interim review and final audit by the external auditors, and discussed highlighted audit and accounting matters, including their recommendations and comments from Management;
3. Reviewed the annual audited financial statements of both the Company and the Group to ensure that they were prepared in compliance with relevant regulatory requirements and guidelines before submission to the Board for approval;
4. Evaluated the external auditors' performance, including capabilities, objectivity, and independence, in line with the Policy and Guidelines on the Performance Evaluation of External Auditors. Obtained confirmation of professional independence from the external auditors. The AC, satisfied with their performance and independence, recommended their re-appointment; and
5. Conducted two private sessions with the external auditors in February 2023 and August 2023, without the presence of Management to reinforce the independence of the external audit function of the Group and the Company. No concerns were raised, and the external auditors expressed satisfaction with the cooperation received from both Management and staff.

Whistleblowing

The AC reviewed and discussed reports of whistleblowing cases and investigations conducted throughout the year.

Risk Management and Internal Control

1. Reviewed the Statement on Risk Management and Internal Control, and AC Report for inclusion in the Annual Report and recommended it to the Board for approval;
2. Reviewed all relevant policies, including the Whistleblowing Policy, Fraud Policy, Conflict of Interest Policy and TOR for AC, and recommended them to the Board for approval; and
3. Deliberated significant risk issues that may likely impact the performance of the Group's business with emphasis on the focus for Internal Audit.

Related Party Transactions and Conflict of Interest

Reviewed the related party transactions of the Group and any conflict-of-interest situations within the Company and its subsidiaries. This encompassed examining transactions, procedures, or conduct that might raise concerns about Management's integrity. The objective was to ensure these transactions are fair, reasonable, adhere to normal commercial terms, and do not adversely affect the interests of the Group's minority shareholders.

INTERNAL AUDIT FUNCTION

The Group Internal Audit Department ("GIAD") oversees the internal audit activities for the entire Group. Operating independently, it adheres to the Internal Audit Charter and follows the International Professional Practices Framework by the Institute of Internal Auditors, of which OSK Holdings Berhad is a corporate member. The GIAD team, comprising 14 members including the Head of Internal Audit, had assured that they were free from any relationships or conflicts of interest. The Head of Internal Audit reports directly to the AC and administratively to the Group Managing Director.

GIAD assists the AC in fulfilling its duties by conducting independent, objective, and systematic reviews of internal control processes. This helps provide reasonable assurance on the adequacy and effectiveness of the internal control and risk management system. The GIAD has unfettered access to the Board, AC, and Management, with the authority to seek information and explanations, to conduct its audit.

A risk-based audit plan for the FY2023, focusing on the Group's objectives, key risks, and core/priority areas, was presented to the AC and approved. The plan covered the review of operational and accounting controls, compliance with laws and regulations, policies and procedures, asset safeguarding, and governance processes. Throughout 2023, the GIAD completed all 31 audit assignments as per the approved plan, and additional four ad-hoc reviews for various business divisions and one whistleblowing case. All audit reports, including follow-up reviews, were presented to the AC.

In addition, GIAD observed tender openings to ensure compliance with internal controls and processes, as outlined in the Group's policy. GIAD also reviewed draft policies and procedures to ensure adequate controls were in place before implementation.

The total payroll and related costs for GIAD in FY2023 amounted to RM2,158,000. Overall, the AC expressed satisfaction with the internal audit function's performance.

PERFORMANCE OF AC

The performance of the AC was assessed annually through self-evaluation and the result of the evaluation was reviewed by the Nomination and Remuneration Committee before being recommended to the Board. For the FY2023, the Board was satisfied that the AC had discharged its duties and responsibilities in accordance with the TOR for AC.

This Report has been approved by the Board on 22 February 2024.

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, pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance, and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The Statement 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 2023 ("FY2023").

At the outset, the Board wish to state that risk controls and governance have been in place and functioning well for the FY2023. Throughout the year, the Group's risk culture has been enhanced through various training covering risk awareness to embed shared areas such as attitudes, values and standards across all levels of employees.

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board continues to remain committed to maintaining a sound system of risk management and internal control and believes that with such a system in place, a balanced achievement of its business objectives and operational efficiency can be achieved. The Board has also received assurance from the Risk Management Committee ("RMC"), Group Management Risk Committee ("GMRC") and Group Managing Director that the Group's risk management and internal control system has been, in all material aspects, effective and adequate throughout the financial year under review.

This Statement does not cover joint ventures and associated companies where the risk management and internal control systems of such companies has been managed by the respective Management teams.

THE BOARD'S RESPONSIBILITY

The Board has ensured the effectiveness of the Group's risk management and internal control systems by continuously reviewing the adequacy and integrity of controls. The Board has ascertained that the Group's risk management and internal control systems are designed to mitigate and manage risks threatening the achievement of the Group's strategies and objectives. The systems in place can provide only reasonable but not absolute assurance against material misstatements.

The Board has been assisted by a long-standing RMC comprising a majority of independent directors to oversee the Group's risk management strategies, framework, and policies.

RISK MANAGEMENT'S ROLE

The Group's risk management function continues to be benchmarked against risk governance best practices and the ISO 31000:2018 Risk Management – Principles and Guidelines to embed Enterprise Risk Management ("ERM") into the activities, culture and processes of the Group. ERM has enabled the Group to identify, assess and mitigate risks systematically as shown in the following presentation:

Statement on Risk Management and Internal Control

Group Risk Management ("GRM") Function
Ascertains functional responsibilities and accountabilities within committees and sub-committees for the management and mitigation of risks.
Establishes a Risk Management Framework which sets risk appetite and risk tolerance based on measurable parameters related to critical risks.
Develops risk mitigations strategies in line with the risk appetite of the Group.
Provides oversight on the Group's sustainability risk objectives.

OSK GROUP RISK GOVERNANCE STRUCTURE

Board of Directors

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

Risk Management Committee

The RMC assists the Board in setting risk strategies, policies, frameworks, and models, and periodically reviews and updates the policies taking into account inputs from GMRC and management. RMC also focusses on corporate accountability and associated risks in terms of management assurance and reporting.

Group Management Risk Committee

Consists of the Group Managing Director, Deputy Group Managing Director, Group Chief Financial Officer, Head of Corporate Strategy and GRM. The GMRC monitors the Group's risk management strategy, sets the risk appetite, oversees its implementation and ensure the internal controls are in place, adequate and effective.

Three Lines Model

First Line Roles

Business Operation Function conducts business in accordance with agreed strategy and related risk appetite and limits.

Second Line Roles

Group Risk Management monitors and ensures the implementation of the ERM framework, risk management strategies and risk mitigation activities.

Third Line Roles

Group Internal Audit performs independent testing and assessment on the control environment.

The Management assists the Board in implementing a robust risk management framework and effective systems and process controls compliant with applicable laws, regulations and guidelines. In this regard, the Group Managing Director and GMRC assures the Board that the Group's risk management and internal controls are in place, adequate and effective.

In providing assurance to the Board on the Group's adequacy and effectiveness of risk management and internal control, the GRM, continuously reviews and enhances the risk management process in assessing, identifying and mitigating the key risk profiles within Group's risk appetite.

Statement on Risk Management and Internal Control

On a quarterly basis at the respective Business Division management committee meetings, risk profiles with mitigation controls from the various operating subsidiaries will be deliberated.

Thereafter, the consolidated risk profiles will be updated during the GMRC meetings. The consolidated risk profiles will be reported to the RMC and the Board on a quarterly basis. New or emerging critical risks are escalated to the GMRC, RMC and the Board for deliberation as needed.

RISK MONITORING & REPORTING

The Group determines the risks based on the assessment of the operating environment of the 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 manages the Group's portfolio of major risks via the risk profiling evaluation and self-assessment approach. The quarterly risk profiles from all Business Divisions are consolidated and updated to GMRC and RMC for their review and deliberation.

The Board meets and deliberates on the key risk profiles quarterly. Material risk issues arising from changes in business environment will be reviewed to ensure minimal impact to the Group. GRM and the respective Chief Executive Officers of the Business Divisions are held 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 Division levels.

Key Risks and Mitigation

For the financial year under review, GRM has identified a number of key risks for the Group. These have been presented to the Board where internal controls and risk mitigation strategies were highlighted. The table below reflects some examples of the key risks and opportunities deliberated.

Key Risk Factor	Risk Description	Opportunities
Strategic Risk	Economic uncertainty has prompted the Group to continuously assess and realign its strategy in response to market conditions and requirements ensuring resilience against the potential risks. Given the potential financial vulnerabilities associated with economic uncertainty, the Group proactively monitors the performance of its Property, Construction, Industries, Hospitality, and Financial Services businesses. The Group also ensures that each Business Division has the right products and services to remain in tune with the market demand. In terms of cost management, fluctuations in material prices may impact each Business Division differently. Despite the added pressure from volatile commodity prices, particularly building materials, the Group has implemented several measures to mitigate this risk. These measures have included improving operation efficiencies, engaging in active price optimisation with vendor/suppliers and closely monitoring costs to maintain financial stability.	The Group implements various strategies to build business strength on the following Business Divisions: a) Property – Continue to concentrate on building market-focused townships and high-rise projects in key regions, including Peninsular Malaysia (Klang Valley, Kedah, Penang, Negeri Sembilan), and Melbourne, Australia. b) Construction – Collaborate closely with the Property Development Division to engage in the initial design stages of each project to optimise constructability, ensuring seamless integration and efficiency. c) Industries – Increase our product portfolio, product after-sales service quality and plant capacity. d) Hospitality – Refurbishment of rooms and facilities enhancement to improve our guests' experiences and potentially revise the room rates. e) Financial Services – Increase in capital commitment to have a stronger loan base to support the growth of the conventional and Shariah financing.
Financial Risk	Our Group is exposed to credit and liquidity risk that may arise from the probable inability to recover debts in a timely manner which may negatively impact the Group's profitability, liquidity, cash flows and funding. Continuous monitoring of economic indicators and financial forecasts enables the Group to strategically position itself in response to changing interest rate conditions.	To effectively maintain cashflow and profitability, the Group closely monitors its cashflow and forecasts, ensuring adequate funding. Strong credit control procedures implemented to minimise bad debt exposures.

Key Risks and Mitigation

Key Risk Factor	Risk Description	Opportunities
Operational Risk	Supply chain disruptions pose challenges that may impact the business growth and operations, the Group persists with consistencies in forward looking planning. Every Business Division meticulously manages and controls every aspect of product development, project delivery and service standards to consistently meet customer expectations. Mitigation efforts include applying policies and procedures, appointing the right suppliers, vendors and consultants with a proven track record of delivering quality products and services, recruiting skilled labour and also leveraging technology to enhance work efficiency.	The Group place emphasis on sourcing the right quality of material through a pool of strong performance suppliers/vendors. Leverage synergies between business segments to mitigate risks and ensure cost are kept within expectation.
Regulatory and Compliance Risks	Changes in regulations, guidelines and laws in Malaysia and Australia may have direct and indirect impacts on the Group. This risk is closely monitored to ensure compliance. The Group also emphasises the importance of Environmental, Social and Governance ('ESG') by setting internal objectives and internal timeline of achievements.	We commit to place importance on compliance with regulatory and compliance requirements. The Group emphasises compliance on ESG requirements and the opportunities to operate in a green and responsible manner through various initiatives to achieve key sustainability objectives.

INTERNAL CONTROL

Throughout 2023, the Group's internal control system comprising a network of systems established in the Group has continued 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 have supported the Group's mission, strategies and related business objectives.

Key Risks and Mitigation

The key elements of the Group's internal control system include the following:

Key Elements	Description
Governance	• The Board and Management have established a conducive control environment with strong corporate culture which 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 Management is held accountable for its internal control responsibilities in pursuit of business objectives.
Operational Internal Controls	• There are approved policies, procedures and operations manuals that all employees need to acknowledge and put into practice. 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 audits provide independent and objective assurance on the adequacy and effectiveness of the systems of risk management and internal control. Audit follow-up has been carried out by internal and external auditors to ensure the implementation of corrective action plans in a timely manner.

INTERNAL AUDIT'S ROLE

Internal audit throughout 2023 has remained an independent, objective assurance and consulting function designed to improve and add value to the Group'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 of the Group.

The internal auditors report directly to the Audit Committee. The Audit Committee monitors and reviews the effectiveness of the internal audit activities and ensures that actions taken by Management to correct the deficiencies in order to improve control processes.

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 have 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 has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control set out above has not been 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

The Enterprise Risk Management ("ERM") Framework is benchmarked against risk governance best practices to establish the context for an embedded ERM into key business divisions and support function departments of the Group. The key elements of ERM Framework are:

BUSINESS OBJECTIVE

The Group sets objectives to support operations and align with the Group's mission.

Risk Strategy

The Group implements controls and mitigation plans to manage risks identified.

Risk Culture

The Group continues to enhance employees' risk awareness and risk management knowledge through seminars and training courses conducted across the Group.

Governance

The Group has a structured process for identifying, assessing, responding and mitigating key risks across all business divisions.

Risk Governance

ERMF sets the Group's approach to enterprise risk management practices. In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, Group Risk Management ("GRM"), under the purview of Group Management Risk Committee ("GMRC"), actively monitors the Group's portfolio of risks with the following objectives:

RISK GOVERNANCE

Assure

Provide assurance to the Board that firm and sound risk management and internal control systems are in place and meet all requirements of regulatory bodies.

Guide

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

Monitor

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 Group's objectives.

Implement

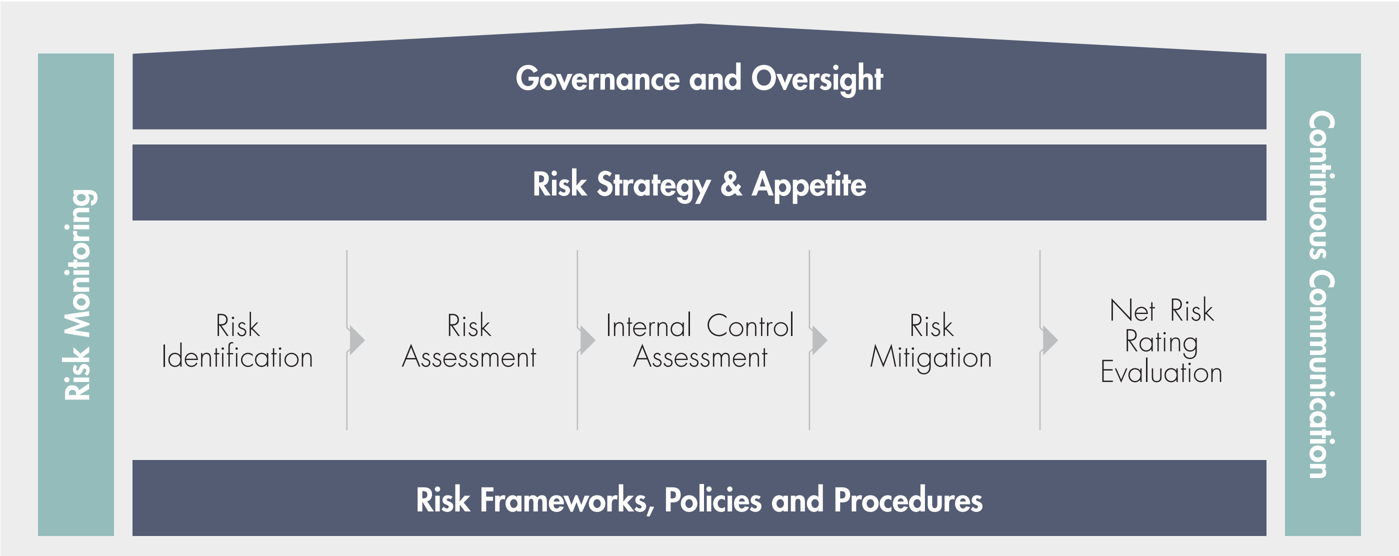
Provide Management with a summary of key risk profiles that may affect the respective Business Divisions and to ensure these risks are adequately mitigated.

Enterprise Risk Management Framework

Risk Management Process

The Group's ERM Framework is integrated and where appropriate, embedded into day-to-day business activities and management decision-making. It is supported with policies and procedures to establish a robust risk management process across the Group and ensures the prudent identification, assessment and effective mitigation of all key risk profiles. As depicted, the Board continually assesses the risks based on the Group's strategy, business objectives and risk appetite.

A simplified view of the various elements of the Group's ERM framework is presented in the diagram below.



Risk Assessment

The Group has integrated risk assessment approach into key operational activities and decision-making processes across the Group. These assessments adhere to a pre-defined risk management process with reference with ISO 31000:2018 guidelines.

a) **Risk Identification** – Identify what risks need to be managed.

b) **Risk Assessment** – Assessment of a risk event that may have negative impact to the Group in terms of financial, reputational, regulatory, health, safety, security, environmental, employee, customer and operational. The Likelihood parameter measures the expected frequency of a risk occurring or materialising, taking into the consideration current control strategies or risk treatments in place.

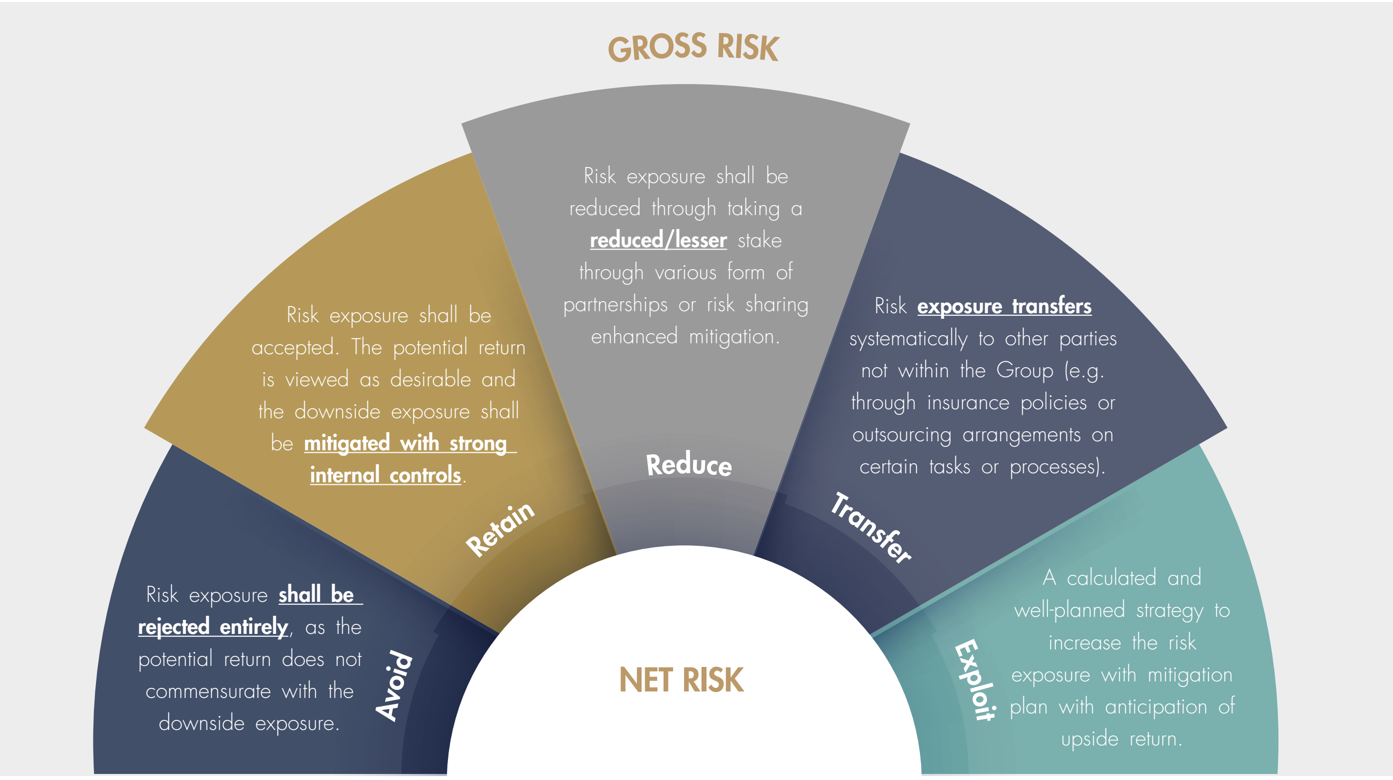
c) **Internal Control Assessment** – Review the reliability and effectiveness of the Group's internal controls system and processes.

d) **Risk Reporting and Communication** – Design a process of risk information reporting to the Board, GMRC and Management to enable risk management. Various form of communication being practiced across the Group to enhance the risk culture.

Enterprise Risk Management Framework

Risk Treatment Strategies

Risk mitigation measures are directed towards reducing the severity of gross risk identified through development and implementation of various forms of internal controls to reach the Residual risk rating. The Group uses risk mitigation strategies to manage identified risks. The Group has five (5) core responses as follows:



The Group identifies risk areas and subsequently implements corresponding mitigating controls. 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 Divisions 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

ERM Framework is the key pillar to create a risk culture for the Group. ERM Framework is to ensure that all risks faced by the Group are identified, monitored, and adequately managed. The framework also ensures that Risk Management is embedded and consistently practised at all levels. As part of building the risk culture, the GMRC, GRM and Management are responsible to ensure that an effective communication strategy is in place to provide common education, knowledge and awareness to all employees.

Additional Disclosures

AUDIT AND NON-AUDIT FEES

Amount of audit and non-audit fees paid or payable to the external auditors, Messrs. BDO PLT, for services rendered to the Company and Group for the financial year ended 31 December 2023, are as follows:

	Company (RM)	Group (RM)
Audit fees	78,000	664,000
Non-audit fees	15,000	108,000
Percentage of non-audit fees over audit fees	19%	16%

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 2023, or if not then subsisting, entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposal during the financial year under review.

09

Financial Statements

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 of 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, IFRS Accounting 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 of 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 2023, 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 the pleasure of presenting their report together with the audited financial statements of OSK Holdings Berhad Group ("the Group"), which includes OSK Holdings Berhad ("the Company") and its subsidiaries, associates and a joint venture, and the Company for the year ended 31 December 2023 pursuant to Section 252 of the Companies Act 2016 ("CA2016").

A. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are organised into five core reportable business segments comprising Property; Construction; Industries; Hospitality; and Financial Services and Investment Holding Segments as described in Note 1.3 to the financial statements. The principal activities of subsidiaries and associates and a joint venture are listed 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. BUSINESS AND OPERATION REVIEWS

The business and operation reviews of the Group are disclosed in the Executive Chairman's Letter to Stakeholders and From the Desk of Our Group Managing Director under the Leadership Insights, and Management Discussion and Analysis sections in this Integrated Annual Report on pages 08 to 11, 12 to 15 and 41 to 89 respectively.

C. FINANCIAL MATTERS

Profit after tax for the year

	Group RM'000	Company RM'000
Profit after tax attributable to:		
Owners of the Company	466,954	383,662
Non-controlling interests	3,262	–
	470,216	383,662

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 4.0 sen per ordinary share in respect of the preceding year ended 31 December 2022 was paid on 12 May 2023	82,484
(ii) A single-tier interim dividend of 3.0 sen per ordinary share in respect of the current year ended 31 December 2023 was paid on 13 October 2023	61,863
	144,347
(b) Proposed dividend: A single-tier final dividend of 4.0 sen per ordinary share in respect of the current year ended 31 December 2023, subject to Shareholders' approval at the forthcoming Annual General Meeting to be held on 18 April 2024	82,484

The statement of changes in equity for current year ended 31 December 2023 do not reflect the above proposed final dividend and will be accounted for in Shareholders' equity as an appropriation of retained profits in the year ending 31 December 2024, if approved by the Shareholders.

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

Directors' Report

C. 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 the 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 till 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 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.

C. 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 including investment properties, derivative asset, 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; 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 and of the Company for the year in which this report is made.

Directors' Report

D. 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
Wong Wen Miin
Farah Deba binti Mohamed Sofian
Ong Yee Ching*

*Who is also the Director of the subsidiary(ies)

During the period commencing from the end of the year till the date of this report, there were no changes in the Directors of the Company.

Directors of the subsidiaries

In addition to the six Directors of the Company who are also the 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' Che Pee bin Samsudin
Dato' Mohd Daud bin Samsuddin
Chew Cheng Leong
Chow Hock Kin
Fan Pui Chin
Goh Hao Kwang Dennis
Lee Kuan Hong
Lim Liang Pin
Mohamed Nazari bin Noordin
Ng Lai Ping
Ong Ghee Bin
Sit Mee Leng
Tan Kheak Chun
Ting Chun Hong
Tio Jun Lim
Vincent Ha Kwang Yuen
Wong Chong Shee
Yeoh Peik Hong
Chong Cheong Leong - appointed on 2 February 2023
Ng Kin Wai - appointed on 6 July 2023
Yeat Siew Hong - resigned on 2 February 2023

During the period commencing from the end of the year till the date of this report, there were no changes in the Directors of the subsidiaries.

D. 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 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 1.1.2023	**Acquired**	**Disposed**	**As at 31.12.2023**
Direct interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	54,175,861	–	–	54,175,861
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	13,185,470	–	–	13,185,470
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1,089,122,551 (1)	380,000	–	1,089,502,551(1)
Ong Ju Yan	2,667,701 (2)	–	–	2,667,701(2)
Ong Ju Xing	926,600 (2)	–	–	926,600(2)
Leong Keng Yuen	221,869 (3)	–	–	221,869(3)

(b) Related corporations

(i) Ultimate holding company, Yellow Rock (L) Foundation

Tan Sri Ong Leong Huat @ Wong Joo Hwa is deemed to have an interest in Yellow Rock (L) Foundation by virtue of his controlling interest in Yellow Rock (L) Foundation.

(ii) Subsidiaries

(1) PJ Development Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2023	**Acquired**	**Disposed**	**As at 31.12.2023**
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	510,573,593(4)	9,500	–	510,583,093(4)

Directors' Report

D. DIRECTORS MATTERS (CONT'D.)

Directors' interests (Cont'd.)

(b) Related corporations (Cont'd.)

(ii) Subsidiaries (Cont'd.)

(2) OSK Property Holdings Berhad

	Number of ordinary shares			
	As at 1.1.2023	**Acquired**	**Disposed**	**As at 31.12.2023**
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	345,639,965[4]	–	–	345,639,965[4]

Notes:

[1] Deemed interested pursuant to Section 8 of CA2016 by virtue of his controlling interest in Yellow Rock (L) Foundation 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 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 as disclosed above, the other Directors in office at the end of the year did not hold any shares of the Company or its related corporations.

Remuneration and Benefits of Directors of the Company

Directors' remuneration for the year were as follows:

	Group RM'000	**Company RM'000**
Fees	365	345
Other benefits	11,854	6,910
Defined contribution plan	1,255	844
Estimated money value of benefits-in-kind	128	88
	13,602	8,187

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 where further details are 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 information as disclosed in Notes 4.3(d) and 4.3(e) to the financial statements.

Directors' Report

D. DIRECTORS MATTERS (CONT'D.)

Directors' interests (Cont'd.)

Indemnity and insurance for Directors, officers and auditors

The Company provides 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 was no indemnity given to or insurance cover for the auditors of the Group and of the Company during the year.

E. AUDITORS AND AUDITORS' REMUNERATION

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration for the year were as follows:

	Group RM'000	Company RM'000
Statutory audit	812	78
Other services	108	15
	920	93

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

F. STRUCTURE OF THE GROUP

Ultimate Holding Company

Yellow Rock (L) Foundation, a Labuan Foundation registered under the Labuan Foundations Act 2010, is regarded by the Directors as the Company's ultimate holding company.

Subsidiaries

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

For the year ended 31 December 2023, the auditors' reports on the financial statements of all the subsidiaries were unqualified.

None of the subsidiaries hold any shares in the holding company or other related corporations.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 March 2024.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Ong Ju Yan

Kuala Lumpur, Malaysia
5 March 2024

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 178 to 353 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2023 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 March 2024.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Ong Ju Yan

Kuala Lumpur, Malaysia
5 March 2024

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 178 to 353 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Ng Lai Ping at
Kuala Lumpur in the Federal Territory
on 5 March 2024

Ng Lai Ping

Before me,

PESURUHJAYA SUMPAH
W 729
MARDHIYYAH
ABDUL WAHAB
1 JAN 2024-31 DIS 2026
MALAYSIA

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

Commissioner for Oaths

Kuala Lumpur, Malaysia
5 March 2024

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 2023 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 material accounting policy information, as set out on pages 178 to 353.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 judgement 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 the percentage of completion requires management to exercise significant judgement in estimating the total costs to complete.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its cost estimation, including its obligations to contract variations, claims and cost contingencies.

Independent Auditors' Report
to the Members of OSK Holdings Berhad
(Incorporated in Malaysia)

Key Audit Matters (Cont'd.)

Key Audit Matters for the Group (Cont'd.)

1. Property development revenue and profit recognition (Cont'd.)

Audit procedures

Our audit procedures included the following:

(a) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

(b) 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 2023, the carrying amounts of property, plant and equipment and right-of-use assets of the Group amounted to RM619.8 million and RM51.2 million respectively as disclosed in Notes 3.1 and 3.6 to the financial statements.

Management used forecasted future cash flows in a 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 judgement 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.

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 the 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; and

(d) performed sensitivity analysis to stress test the key assumptions in the impairment model.

Independent Auditors' Report
to the Members of OSK Holdings Berhad
(Incorporated in Malaysia)

Key Audit Matters (Cont'd.)

Key Audit Matters for the Group (Cont'd.)

3. Recoverability of trade receivables

As at 31 December 2023, the net carrying amount of trade receivables of the Group was RM213.6 million as disclosed in Note 3.10 to the financial statements.

The Group has impaired trade receivables of RM14.0 million as at 31 December 2023.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

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 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;

(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.

Independent Auditors' Report
to the Members of OSK Holdings Berhad
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd.)

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, IFRS Accounting 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.

Independent Auditors' Report
to the Members of OSK Holdings Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd.)

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: (Cont'd.)

(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.

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
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Chan Wai Leng
02893/08/2025 J
Chartered Accountant

Kuala Lumpur
5 March 2024

Statements of Profit or Loss

For the Year Ended 31 December 2023

		Group		Company	
	Note	**2023** **RM'000**	**2022 (Restated) RM'000**	**2023** **RM'000**	**2022** **RM'000**
Revenue	2.1	**1,587,817**	1,320,894	**405,507**	323,292
Cost of sales	2.2	**(1,111,542)**	(902,970)	**–**	–
Gross profit		**476,275**	417,924	**405,507**	323,292
Other income	2.3	**37,903**	35,570	**21,642**	17,529
Administrative expenses	2.4	**(204,245)**	(197,570)	**(24,161)**	(21,899)
Other expenses	2.5	**(11,124)**	(7,210)	**–**	–
		298,809	248,714	**402,988**	318,922
Finance costs	2.6	**(45,995)**	(44,652)	**(18,844)**	(23,223)
		252,814	204,062	**384,144**	295,699
Share of results of associates and a joint venture, net of tax		**302,302**	280,999	**–**	–
Profit before tax		**555,116**	485,061	**384,144**	295,699
Tax (expense)/income	2.7	**(84,900)**	(58,236)	**(482)**	73
Profit after tax		**470,216**	426,825	**383,662**	295,772
Profit attributable to:					
Owners of the Company		**466,954**	424,204	**383,662**	295,772
Non-controlling interests	3.3(e)	**3,262**	2,621	**–**	–
		470,216	426,825	**383,662**	295,772
Earnings per share attributable to Owners of the Company (sen):					
Basic/Diluted	1.6	**22.64**	20.57		

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

Statements of Comprehensive Income

For the Year Ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 (Restated) RM'000	2023 RM'000	2022 RM'000
Profit after tax	**470,216**	426,825	**383,662**	295,772
Other comprehensive income/(expenses) for the year, net of tax				
Items of other comprehensive income/(expense) that:				
(a) Will be reclassified subsequently to statement of profit or loss when specific conditions are met:				
- *Fair value gain on cash flow hedge*	**–**	1,297	**–**	–
- *Foreign currency translation gain/(loss)*	**29,909**	(6,376)	**–**	–
(b) Reclassified subsequently to statement of profit or loss:				
- *Fair value of cash flow hedge upon expiry*	**89**	–	**–**	–
- *Foreign currency translation gain upon dissolution of subsidiaries*	**–**	26	**–**	–
	29,998	(5,053)	**–**	–
Share of other comprehensive income/(expenses) and reserves of associates accounted for using equity method for items that:				
(a) Will not be reclassified subsequently to statement of profit or loss:				
- *Fair values through other comprehensive income ("FVTOCI") and other reserves*	**3,359**	(1,832)	**–**	–
(b) Will be reclassified subsequently to statement of profit or loss when specific conditions are met:				
- *Foreign currency translation reserves*	**18,867**	12,333	**–**	–
- *FVTOCI and other reserves*	**65,178**	(97,697)	**–**	–
	87,404	(87,196)	**–**	–
Total other comprehensive income/(expenses) for the year, net of tax	**117,402**	(92,249)	**–**	–
Total comprehensive income	**587,618**	334,576	**383,662**	295,772
Total comprehensive income attributable to:				
Owners of the Company	**583,680**	332,134	**383,662**	295,772
Non-controlling interests	**3,938**	2,442	**–**	–
	587,618	334,576	**383,662**	295,772

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

Statements of Financial Position

As at 31 December 2023

		Group			Company	
	Note	2023 RM'000	2022 (Restated) RM'000	1.1.2022 (Restated) RM'000	2023 RM'000	2022 RM'000
ASSETS:						
Non-current						
Property, plant and equipment	3.1	**619,797**	570,607	564,251	**581**	555
Investment properties	3.2	**498,512**	489,935	476,318	**–**	–
Investments in subsidiaries	3.3	**–**	–	–	**1,715,243**	1,617,762
Investments in associates and a joint venture	3.4	**4,226,355**	3,975,263	3,924,365	**2,367,443**	2,345,733
Intangible assets	3.5	**4,146**	2,503	2,579	**183**	209
Right-of-use assets	3.6	**51,210**	50,214	62,258	**4,390**	1,107
Inventories	3.7	**1,491,861**	1,471,510	1,514,701	**–**	–
Deferred tax assets	3.8	**108,661**	89,179	69,568	**904**	824
Capital financing	3.9	**383,866**	241,813	291,657	**–**	–
Trade receivables	3.10	**11,795**	8,137	22,926	**–**	–
Other assets	3.11	**1,790**	1,758	2,428	**–**	–
Derivative asset	3.12	**–**	–	1,926	**–**	–
		7,397,993	6,900,919	6,932,977	**4,088,744**	3,966,190
Current						
Inventories	3.7	**347,682**	342,143	322,817	**–**	–
Capital financing	3.9	**1,355,218**	1,155,003	688,127	**–**	–
Trade receivables	3.10	**201,853**	223,054	212,909	**–**	–
Other assets	3.11	**47,685**	42,804	26,788	**757**	634
Derivative asset	3.12	**–**	10,570	–	**–**	–
Contract assets	3.13	**337,845**	276,409	185,621	**–**	–
Biological assets	3.14	**444**	519	524	**–**	–
Amounts due from subsidiaries	3.15	**–**	–	–	**126**	90
Tax recoverable		**2,642**	17,084	18,972	**350**	1,232
Securities at fair value through profit or loss ("FVTPL")	3.16	**248**	239	227	**248**	239
Cash, bank balances and short-term funds	3.17	**743,579**	712,653	831,733	**21,880**	28,350
		3,037,196	2,780,478	2,287,718	**23,361**	30,545
TOTAL ASSETS		**10,435,189**	9,681,397	9,220,695	**4,112,105**	3,996,735

Statements of Financial Position (Cont'd.)

As at 31 December 2023

		Group			Company	
	Note	2023 RM'000	2022 (Restated) RM'000	1.1.2022 (Restated) RM'000	2023 RM'000	2022 RM'000
LIABILITIES:						
Non-current						
Borrowings	3.18	**2,017,007**	1,700,032	1,870,380	**–**	–
Trade payables	3.19	**23,807**	19,536	16,748	**–**	–
Other liabilities	3.20	**1,938**	3,501	30,467	**–**	–
Contract liabilities and deferred income	3.21	**72,836**	78,464	86,906	**–**	–
Lease liabilities	3.6	**131**	398	1,210	**2,721**	225
Deferred tax liabilities	3.8	**71,243**	88,347	99,236	**–**	–
		2,186,962	1,890,278	2,104,947	**2,721**	225
Current						
Borrowings	3.18	**1,242,971**	1,324,677	880,737	**40,000**	40,000
Trade payables	3.19	**113,996**	97,996	76,371	**–**	–
Other liabilities	3.20	**639,941**	576,905	559,117	**4,641**	4,248
Contract liabilities and deferred income	3.21	**18,726**	16,531	23,520	**–**	–
Lease liabilities	3.6	**588**	1,862	13,302	**1,722**	919
Tax payable		**36,601**	16,807	18,116	**–**	–
Amounts due to subsidiaries	3.15	**–**	–	–	**352,062**	479,699
		2,052,823	2,034,778	1,571,163	**398,425**	524,866
TOTAL LIABILITIES		**4,239,785**	3,925,056	3,676,110	**401,146**	525,091
NET ASSETS		**6,195,404**	5,756,341	5,544,585	**3,710,959**	3,471,644
EQUITY:						
Share capital	3.22	**2,095,311**	2,095,311	2,095,311	**2,095,311**	2,095,311
Treasury shares, at cost	3.23	**(43,226)**	(43,226)	(43,226)	**(43,226)**	(43,226)
		2,052,085	2,052,085	2,052,085	**2,052,085**	2,052,085
Reserves	3.24	**4,068,721**	3,629,381	3,420,697	**1,658,874**	1,419,559
Issued capital and reserves attributable to Owners of the Company		**6,120,806**	5,681,466	5,472,782	**3,710,959**	3,471,644
Non-controlling interests	3.3(e)	**74,598**	74,875	71,803	**–**	–
TOTAL EQUITY		**6,195,404**	5,756,341	5,544,585	**3,710,959**	3,471,644
Net Assets per share attributable to Owners of the Company (RM)	1.7	**2.97**	2.76	2.65		

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

Statements of Changes in Equity

For the Year Ended 31 December 2023

		Attributable to Owners of the Company									
Group	**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 2023											
As per previously reported		2,095,311	(43,226)	63,451	19,864	(89)	(75,409)	3,619,806	5,679,708	74,875	5,754,583
Effects of adoption of MFRS 17 'Insurance Contracts' by an associate	6.1(vi)	-	-	-	-	-	-	1,758	1,758	-	1,758
As restated		2,095,311	(43,226)	63,451	19,864	(89)	(75,409)	3,621,564	5,681,466	74,875	5,756,341
Profit after tax		-	-	-	-	-	-	466,954	466,954	3,262	470,216
Reclassification of hedging reserves to profit or loss upon expiry of hedging instrument		-	-	-	-	89	-	-	89	-	89
Foreign currency translation gain		-	-	-	29,228	-	-	-	29,228	681	29,909
Share of other comprehensive income/ (expenses) and reserves of associates accounted for using equity method:											
- *Foreign currency translation reserves*		-	-	-	18,867	-	-	-	18,867	-	18,867
- *FVTOCI and other reserves*		-	-	-	-	-	68,542	-	68,542	(5)	68,537
Other comprehensive income		-	-	-	48,095	89	68,542	-	116,726	676	117,402
Total comprehensive income		-	-	-	48,095	89	68,542	466,954	583,680	3,938	587,618
Dividends paid to:											
- *Owners of the Company*	1.5	-	-	-	-	-	-	(144,347)	(144,347)	-	(144,347)
- *Non-controlling interests*		-	-	-	-	-	-	-	-	(4,197)	(4,197)
Total distributions to Owners		-	-	-	-	-	-	(144,347)	(144,347)	(4,197)	(148,544)
Acquisition of additional interests in subsidiaries from non-controlling interests:											
- *Accretion of equity interests*	3.3(b)(ii),(v)	-	-	-	-	-	-	-	-	(18)	(18)
- *Gain on acquisitions*	3.3(b)(ii),(v)	-	-	-	-	-	-	7	7	-	7
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	7	7	(18)	(11)
Total transactions with Owners in their capacity as Owners		-	-	-	-	-	-	(144,340)	(144,340)	(4,215)	(148,555)
As at 31 December 2023		2,095,311	(43,226)	63,451	67,959	-	(6,867)	3,944,178	6,120,806	74,598	6,195,404

Statements of Changes in Equity (Cont'd.)

For the Year Ended 31 December 2023

Group (Cont'd.)	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
		Attributable to Owners of the Company									
As at 1 January 2022											
As per previously reported		2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,316,068	5,468,040	71,803	5,539,843
Effects of adoption of MFRS 17 'Insurance Contracts' by an associate	6.1(vi)	–	–	–	–	–	–	4,742	4,742	–	4,742
As restated		2,095,311	(43,226)	63,451	13,702	(1,386)	24,120	3,320,810	5,472,782	71,803	5,544,585
Profit after tax		–	–	–	–	–	–	424,204	424,204	2,621	426,825
Fair value gain on cash flow hedge		–	–	–	–	1,297	–	–	1,297	–	1,297
Foreign currency translation loss		–	–	–	(6,197)	–	–	–	(6,197)	(179)	(6,376)
Foreign currency translation gain reclassified to profit or loss upon dissolution of subsidiaries		–	–	–	26	–	–	–	26	–	26
Share of other comprehensive income/(expenses) and *reserves of associates accounted for using equity method:*											
- Foreign currency translation reserves		–	–	–	12,333	–	–	–	12,333	–	12,333
- FVTOCI and other reserves		–	–	–	–	–	(99,529)	–	(99,529)	–	(99,529)
Other comprehensive income/(expenses)		–	–	–	6,162	1,297	(99,529)	–	(92,070)	(179)	(92,249)
Total comprehensive income/(expenses)		–	–	–	6,162	1,297	(99,529)	424,204	332,134	2,442	334,576
Dividends paid to:											
- Owners of the Company	1.5	–	–	–	–	–	–	(123,726)	(123,726)	–	(123,726)
- Non-controlling interests		–	–	–	–	–	–	–	–	(3,323)	(3,323)
Total distributions to Owners		–	–	–	–	–	–	(123,726)	(123,726)	(3,323)	(127,049)
Acquisition of additional interests in subsidiaries from non-controlling interests:											
- Accretion of equity interests	3.3(c)(iv),(v)	–	–	–	–	–	–	–	–	(947)	(947)
- Gain on acquisitions	3.3(c)(iv),(v)	–	–	–	–	–	–	276	276	–	276
Issuance of ordinary shares by a subsidiary to non-controlling interests	3.3(c)(vi)(3)	–	–	–	–	–	–	–	–	4,900	4,900
Total changes in ownership interest in subsidiaries		–	–	–	–	–	–	276	276	3,953	4,229
Total transactions with Owners in their capacity as Owners		–	–	–	–	–	–	(123,450)	(123,450)	630	(122,820)
As at 31 December 2022		2,095,311	(43,226)	63,451	19,864	(89)	(75,409)	3,621,564	5,681,466	74,875	5,756,341

Statements of Changes in Equity (Cont'd.)

For the Year Ended 31 December 2023

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 2023		**2,095,311**	**(43,226)**	**1,419,559**	**3,471,644**
Profit after tax/Total comprehensive income		**–**	**–**	**383,662**	**383,662**
Dividends paid to Owners of the Company	1.5	**–**	**–**	**(144,347)**	**(144,347)**
As at 31 December 2023		**2,095,311**	**(43,226)**	**1,658,874**	**3,710,959**
As at 1 January 2022		2,095,311	(43,226)	1,247,513	3,299,598
Profit after tax/Total comprehensive income		–	–	295,772	295,772
Dividends paid to Owners of the Company	1.5	–	–	(123,726)	(123,726)
As at 31 December 2022		2,095,311	(43,226)	1,419,559	3,471,644

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

Statements of Cash Flows

For the Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 (Restated) RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**555,116**	485,061	**384,144**	295,699
Adjustments#		**(31,222)**	(1,050)	**(386,664)**	(298,361)
Share of results of associates and a joint venture		**(302,302)**	(280,999)	**–**	–
Operating profit/(loss) before changes in working capital		**221,592**	203,012	**(2,520)**	(2,662)
Decrease/(Increase) in:					
Inventories		**37,871**	73,032	**–**	–
Trade receivables		**19,411**	5,719	**–**	–
Other assets		**(4,287)**	(10,911)	**(124)**	(39)
Contract assets		**(61,436)**	(90,788)	**–**	–
Increase/(Decrease) in:					
Trade payables		**20,445**	24,179	**–**	–
Other liabilities		**82,131**	(16,025)	**393**	257
Contract liabilities and deferred income		**(3,534)**	(15,431)	**–**	–
		90,601	(30,225)	**269**	218
Increase in:					
Capital financing, net disbursement		**(327,319)**	(418,500)	**–**	–
Changes in working capital		**(236,718)**	(448,725)	**269**	218
Cash used in operations		**(15,126)**	(245,713)	**(2,251)**	(2,444)
Income tax paid		**(101,879)**	(89,425)	**(434)**	(97)
Income tax refunded		**14,544**	1,268	**754**	–
Interest/Profit paid		**(88,658)**	(55,648)	**–**	–
Interest/Profit received		**151,404**	100,714	**–**	–
Net cash used in operating activities		**(39,715)**	(288,804)	**(1,931)**	(2,541)

Statements of Cash Flows (Cont'd.)

For the Year Ended 31 December 2023

	Note	Group		Company	
		2023	**2022 (Restated)**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment, divestment and income from investments:					
Acquisitions of additional shares in a subsidiary from non-controlling interests	3.3(b)(ii), (c)(v)	**(11)**	(671)	**(11)**	(671)
Dividends received from securities at FVTPL		**9**	9	**9**	9
Investment properties expenditure	3.2(c)(i)	**(8,092)**	(7,630)	**–**	–
Funds distribution income received		**6,972**	4,321	**1,693**	248
Interest/Profit received		**9,019**	5,224	**283**	7
Proceeds from disposals of property, plant and equipment		**321**	9,494	**–**	–
Purchase of:					
- land for property development		**(60,245)**	(19,893)	**–**	–
- property, plant and equipment	3.1(b)(i)	**(76,925)**	(39,877)	**(235)**	(68)
- right-of-use assets	3.6(b)(i)	**(1,592)**	–	**–**	–
- software licences	3.5(b)	**(2,149)**	(353)	**–**	–
Net investment, divestment and income from investments		**(132,693)**	(49,376)	**1,739**	(475)
Dividends and shares:					
Capital repayment from a subsidiary	3.3(b)(iv)	**–**	–	**2,000**	–
Dividends received		**163,756**	136,245	**383,798**	259,627
Repayments to subsidiaries		**–**	–	**(127,673)**	(109,886)
Subscription of shares in subsidiaries	3.3(d)(i)	**–**	–	**(99,470)**	(37,600)
Net dealings with subsidiaries and associates		**163,756**	136,245	**158,655**	112,141
Net cash from investing activities		**31,063**	86,869	**160,394**	111,666

Statements of Cash Flows (Cont'd.)

For the Year Ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 (Restated) RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Fundings in business:					
Expenses incurred on borrowings		**(4,597)**	(1,934)	**(227)**	(348)
Drawdowns/(Repayments):					
Proceeds from issuance/drawdowns of:					
- medium-term notes and Sukuk	3.18(f)(ii)	**500,000**	100,000	**–**	–
- term loans and bankers' acceptances		**41,635**	42,308	**–**	–
- revolving credits – net		**–**	290,802	**–**	–
Redemptions/Repayments of:					
- medium-term notes and Sukuk	3.18(f)(ii)	**(84,091)**	(46,939)	**–**	–
- term loans and bankers' acceptances		**(171,170)**	(119,303)	**–**	–
- revolving credits – net		**(54,974)**	–	**–**	–
Net drawdowns	3.18(g)(i)	**231,400**	266,868	**–**	–
Interest/Profit paid		**(38,403)**	(40,434)	**(18,495)**	(22,797)
Payment of lease liabilities	3.6(c)	**(2,048)**	(15,088)	**(1,864)**	(1,848)
Dividends:					
Dividends paid to:					
- Owners of the Company	1.5	**(144,347)**	(123,726)	**(144,347)**	(123,726)
- non-controlling interests		**(4,197)**	(3,323)	**–**	–
Net dealing with Owners of the Company		**(148,544)**	(127,049)	**(144,347)**	(123,726)
Net cash from/(used in) financing activities		**37,808**	82,363	**(164,933)**	(148,719)
Net increase/(decrease) in cash and cash equivalents		**29,156**	(119,572)	**(6,470)**	(39,594)
Effects of exchange rate changes		**1,770**	492	**–**	–
Cash and cash equivalents at beginning of the year		**712,653**	831,733	**28,350**	67,944
Cash and cash equivalents at end of the year, comprised cash, bank balances and short-term funds	3.17	**743,579**	712,653	**21,880**	28,350

Statements of Cash Flows (Cont'd.)

For the Year Ended 31 December 2023

	Note	Group 2023 RM'000	Group 2022 (Restated) RM'000	Company 2023 RM'000	Company 2022 RM'000
#Adjustments:					
Operating items (non-cash and disclosure items):					
Allowance for/(Write back of) impairment loss (net) on:					
- capital financing	3.9(b)(i)	**1,137**	901	**–**	–
- trade receivables	3.10(b)(i)	**(450)**	(557)	**–**	–
- other receivables	3.11(b)(i)	**114**	138	**–**	–
Interest/Profit income		**(151,404)**	(100,714)	**(283)**	(7)
Interest/Profit expense		**55,196**	31,136	**18,617**	22,875
Write down/(back) of inventories:					
- finished goods		**3,382**	(668)	**–**	–
- raw materials		**264**	3	**–**	–
- work-in-progress		**(2,401)**	596	**–**	–
Write off of:					
- trade receivables		**11**	81	**–**	–
- other receivables		**3**	–	**–**	–
		(94,148)	(69,084)	**18,334**	22,868
Non-operating items:					
Amortisation of finance cost		**634**	497	**–**	–
Depreciation and amortisation		**30,865**	39,216	**1,993**	1,984
Dividend income		**(9)**	(9)	**(405,516)**	(323,301)
Facilities fee		**4,156**	1,295	**227**	348
Funds distribution income		**(6,972)**	(4,321)	**(1,693)**	(248)
Gain on disposals (net) of property, plant and equipment		**(159)**	(1,325)	**–**	–
Interest/Profit income		**(9,019)**	(5,224)	**–**	–
Interest/Profit expense		**42,559**	41,729	**–**	–
Loss/(Gain) on fair valuation of:					
- biological assets	3.14(d)	**75**	5	**–**	–
- investment properties	3.2(c)(i)	**–**	(5,987)	**–**	–
- retention sums		**(546)**	1,739	**–**	–
- securities at FVTPL		**(9)**	(12)	**(9)**	(12)
Loss on foreign currency translations (net)		**918**	147	**–**	–
Reclassification of hedging reserves to statement of profit or loss upon expiry of hedging instrument		**89**	–	**–**	–
Write off of plant and equipment	3.1(b)(iv)	**344**	284	**–**	–
		62,926	68,034	**(404,998)**	(321,229)
#Adjustments		**(31,222)**	(1,050)	**(386,664)**	(298,361)

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

Notes to the Financial Statements

31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT

This section provides the group corporate information, the basis of the preparation of these financial statements, business segment analysis, and capital and financial risk management.

1.1 AUTHORISATION OF FINANCIAL STATEMENTS FOR USE AND GROUP CORPORATE INFORMATION

The consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 5 March 2024.

(a) The Company

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 the 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. The Company is an investment holding company. There have been no significant changes in the nature of this principal activity during the year.

(b) Subsidiaries, associates and a joint venture

The principal activities of the subsidiaries, associates and a joint venture are shown in Notes 3.3 and 3.4 respectively. The principal places of business of its subsidiaries are disclosed in Corporate Information sections in this Integrated Annual Report on page 108 to 111. For business resource allocation and performance assessment, the Group's activities are strategically organised into five core business segments which include Property, Construction, Industries, Hospitality and Financial Services and Investment Holding Segments. Business segment information is disclosed in Note 1.3.

The Company and its subsidiaries hold equity interests in four associates and a joint venture. The equity method of accounting has been adopted in the consolidated financial statements on investments in associates and a joint venture. The financial statements of these associates and a joint venture are prepared for the same reporting period as the Group. The accounting policies of all companies are aligned with those accounting policies adopted by the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the dates of acquisitions. Note 3.4 shows further information on investments in associates and a joint venture.

(c) Ultimate holding company

Yellow Rock (L) Foundation, a Labuan Foundation registered under the Labuan Foundations Act 2010, is regarded by the Directors as the Company's ultimate holding company under the requirements under CA2016. Yellow Rock (L) Foundation also represents the immediate holding company of the Company.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

This note provides the overall basis of preparation that is useful and relevant in understanding these financial statements.

(a) Accounting convention and notes structure to these financial statements

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 ineffective hedge relationships.

Notes to the Financial Statements
31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

(a) Accounting convention and notes structure to these financial statements (Cont'd.)

The financial statements of the Group and of the Company have been prepared on the basis that they will continue to operate as a going concern. The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on going concern matters are discussed in Note 6.3(b)(i).

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company and all values are rounded to the nearest thousand (RM'000) unless otherwise indicated.

The notes to the financial statements have been prepared and structured according to their nature into six sections for users to make it easier to identify and comprehend the relevant information. In addition, the material accounting policies, significant 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 notes to the financial statements have been structured to enhance the effect on the understandability and comparability of these financial statements' disclosures.

Entity-specific information including entity-specific accounting policy information has been determined and provided that is generally more useful to users in understanding the related balances, transactions and conditions.

(b) Statement of compliance with financial reporting standards and Companies Act

These financial statements have been prepared in accordance with applicable approved Malaysian Financial Reporting Standards ("MFRS") issued by Malaysian Accounting Standards Board ("MASB"), IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") and the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the year, the Group and the Company has adopted amendments to MFRS as disclosed in Note 6.1. The standards, amendments to published standards and interpretations to existing MFRS; and the sustainability disclosure standards issued by the International Sustainability Standards Board ("ISSB") that are applicable to the Group and the Company but not yet effective for the current financial year are disclosed in Notes 6.2 and 6.3 respectively.

(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. Note 3.3 shows further information on investments in subsidiaries. The financial statements of these subsidiaries are prepared for the same reporting period as the Group. The accounting policies of all companies are aligned with those of the Group.

Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group's controls over an investee is satisfied if, and only if, the Group has:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

(c) Basis of consolidation (Cont'd.)

There is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, all relevant facts and circumstances are considered in assessing whether the Group has power over an investee, including:

(i) the contractual arrangement(s) with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the voting rights and potential voting rights.

At the end of the year, the Group owns more than half of the voting rights resulting in control in all its subsidiaries. The effective proportion of ownership interest is shown in Note 3.3(f).

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders (owners) of the Company and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. At the end of the financial year, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities (intragroup outstanding balances), equity, income, expenses and cash flows relating to transactions between members of the Group as well as dividends paid/payable to the Company by subsidiaries and associates and a joint venture are eliminated in full on consolidation. Unrealised gains arising from transactions are also eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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 resultant 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.

Notes to the Financial Statements
31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

(d) Climate-related matters

It is required to consider climate-related matters in estimates and assumptions when making judgments where appropriate. This assessment includes potential impacts on the Group due to both physical and transition risks. The Group believes its business model and products and services will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. The climate-related risks might not currently have a material impact on measurement, but the Group is closely observing relevant changes and developments, such as new climate-related legislation.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements for each potential item are discussed in Note 6.3(b).

1.3 SEGMENT INFORMATION

This note provides performance, assets and liabilities analysis by business and geographical segments. Further information on profit or loss; and assets and liabilities items are disclosed in Sections 2 and 3 respectively.

For management purposes, the Group's business activities 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 retail 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 GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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 the arms-length 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.

The basis of segmentation and related measurement of segment revenue, results, assets and liabilities were not materially changed as compared with the previous year.

Notes to the Financial Statements
31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.3 SEGMENT INFORMATION (CONT'D.)

(a) Business segment analysis:

Business segment performance analysis:

2023	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Revenue						
Total revenue	869,867	215,420	400,423	98,995	917,089	2,501,794
Elimination of:						
Inter-segment revenue	(5,232)	(215,420)	(4,169)	–	(153,954)	(378,775)
Dividends from:						
- subsidiaries	–	–	–	–	(349,736)	(349,736)
- associates	(11,100)	–	–	–	(174,366)	(185,466)
Revenue from external parties	853,535	–	396,254	98,995	239,033	1,587,817
Results						
Segment profit	123,085	1,291	47,502	3,259	87,004	262,141
Share of results of associates and a joint venture	15,201	–	–	–	287,101	302,302
	138,286	1,291	47,502	3,259	374,105	564,443
Elimination of unrealised profit	–	(2,001)	–	–	(7,326)	(9,327)
Profit/(Loss) before tax	138,286	(710)	47,502	3,259	366,779	555,116
Tax (expense)/income	(42,950)	266	(13,412)	(2,691)	(26,113)	(84,900)
Profit/(Loss) after tax	95,336	(444)	34,090	568	340,666	470,216

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.3 SEGMENT INFORMATION (CONT'D.)

(a) Business segment analysis: (Cont'd.)

Business segment performance analysis: (Cont'd.)

2022 (Restated)*	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Revenue						
Total revenue	786,767	132,790	293,923	88,352	736,992	2,038,824
Elimination of:						
Inter-segment revenue	(5,041)	(132,790)	(49)	(168)	(89,890)	(227,938)
Dividends from:						
- subsidiaries	–	–	–	–	(290,082)	(290,082)
- associates	(30,000)	–	–	–	(169,910)	(199,910)
Revenue from external parties	751,726	–	293,874	88,184	187,110	1,320,894
Results						
Segment profit	133,140	1,016	15,061	3,167	55,826	208,210
Share of results of associates and a joint venture	16,666	–	–	–	264,333*	280,999
	149,806	1,016	15,061	3,167	320,159	489,209
Elimination of unrealised profit	–	(1,899)	–	–	(2,249)	(4,148)
Profit/(Loss) before tax	149,806	(883)	15,061	3,167	317,910	485,061
Tax (expense)/income	(31,421)	555	(4,026)	(2,050)	(21,294)	(58,236)
Profit/(Loss) after tax	118,385	(328)	11,035	1,117	296,616	426,825

* These figures have been restated and the details are disclosed in Note 6.1(vi).

Notes to the Financial Statements
31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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:

2023	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Revenue (Note 2.1)						
Interest income	–	–	–	–	132,716	132,716
Profit income	–	–	–	–	18,688	18,688
Cost of Sales (Note 2.2)						
Depreciation and amortisation	–	–	(5,518)	–	–	(5,518)
Funding costs	–	–	–	–	(57,005)	(57,005)
Write (down)/back of inventories:						
- finished goods	–	–	(3,382)	–	–	(3,382)
- raw materials	–	–	(264)	–	–	(264)
- work-in-progress	–	–	2,401	–	–	2,401
Write off of plant and equipment	–	–	(130)	–	–	(130)
Other Income (Note 2.3)						
Dividend income	–	–	–	–	9	9
Fair valuation gain of:						
- retention sums	889	112	–	–	–	1,001
- securities at FVTPL	–	–	–	–	9	9
Foreign currency translations gain	–	–	808	4	164	976
Funds distribution income	2,196	909	–	62	3,805	6,972
Gain on disposals of plant and equipment	89	9	62	118	–	278
Gain on redemption of short-term funds	903	–	–	–	1,189	2,092
Interest income	4,867	1	313	149	3,689	9,019
Recovery of bad debts of trade receivables	–	–	2	–	–	2
Write back of impairment losses on:						
- capital financing	–	–	–	–	2,421	2,421
- trade receivables	1,353	–	571	55	–	1,979
- other receivables	81	–	–	–	–	81

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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.)

2023 (Cont'd.)	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Administrative Expenses (Note 2.4)						
Depreciation and amortisation	(1,184)	(719)	(1,241)	(16,025)	(6,178)	(25,347)
Other Expenses (Note 2.5)						
Allowance for impairment losses on:						
- capital financing	–	–	–	–	(3,558)	(3,558)
- trade receivables	(292)	–	(1,229)	(5)	(3)	(1,529)
- other receivables	(195)	–	–	–	–	(195)
Fair valuation loss of:						
- biological assets	–	–	–	–	(75)	(75)
- short-term funds	(120)	–	–	–	(130)	(250)
Foreign currency translations loss	–	–	–	–	(1,983)	(1,983)
Loss on disposal of plant and equipment	–	–	–	(119)	–	(119)
Write off of:						
- trade receivables	(4)	–	–	(7)	–	(11)
- other receivables	–	–	–	(3)	–	(3)
- plant and equipment	–	–	–	(214)	–	(214)
Finance Costs (Note 2.6)						
Amortisation of finance cost	–	–	–	–	(634)	(634)
Finance costs	(8,341)	(15)	(1,066)	(2,053)	(33,886)	(45,361)

Notes to the Financial Statements

31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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.)

2022	**Property RM'000**	**Construction RM'000**	**Industries RM'000**	**Hospitality RM'000**	**Financial Services & Investment Holding RM'000**	**Consolidated RM'000**
Revenue (Note 2.1)						
Interest income	–	–	–	–	95,792	95,792
Profit income	–	–	–	–	4,922	4,922
Cost of Sales (Note 2.2)						
Depreciation and amortisation	–	–	(5,283)	–	–	(5,283)
Funding costs	–	–	–	–	(32,545)	(32,545)
Write back/(down) of inventories:						
- finished goods	–	–	668	–	–	668
- raw materials	–	–	(3)	–	–	(3)
- work-in-progress	–	–	(596)	–	–	(596)
Other Income (Note 2.3)						
Dividend income	–	–	–	–	9	9
Fair valuation gain of:						
- investment properties	5,987	–	–	–	–	5,987
- retention sums	681	120	–	–	–	801
- securities at FVTPL	–	–	–	–	12	12
Foreign currency translations gain	–	–	56	–	84	140
Funds distribution income	1,443	389	–	32	2,457	4,321
Gain on disposals of property, plant and equipment	33	480	58	921	–	1,492
Gain on redemption of short-term funds	639	–	–	–	438	1,077
Interest income	3,265	2	504	27	1,426	5,224
Recovery of bad debts of capital financing	–	–	–	–	32	32
Write back of impairment losses on:						
- capital financing	–	–	–	–	357	357
- trade receivables	1,989	–	714	27	–	2,730
- other receivables	156	–	–	–	–	156

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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.)

2022 (Cont'd.)	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Administrative Expenses (Note 2.4)						
Depreciation and amortisation	(12,819)	(894)	(1,165)	(13,119)	(5,936)	(33,933)
Other Expenses (Note 2.5)						
Allowance for impairment losses on:						
- capital financing	–	–	–	–	(1,258)	(1,258)
- trade receivables	(510)	–	(1,614)	(49)	–	(2,173)
- other receivables	(294)	–	–	–	–	(294)
Fair valuation loss of:						
- biological assets	–	–	–	–	(5)	(5)
- short-term funds	(52)	–	–	–	(191)	(243)
Foreign currency translations loss	–	–	(101)	–	(186)	(287)
Loss on disposal of plant and equipment	–	–	–	(167)	–	(167)
Loss on redemption of short-term funds	(380)	–	–	–	(641)	(1,021)
Write off of:						
- trade receivables	(31)	–	(30)	(20)	–	(81)
- plant and equipment	–	(4)	–	(280)	–	(284)
Finance Costs (Note 2.6)						
Amortisation of finance cost	–	–	–	–	(497)	(497)
Finance costs	(9,450)	(31)	(546)	(1,854)	(32,274)	(44,155)

Notes to the Financial Statements

31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.3 SEGMENT INFORMATION (CONT'D.)

(a) Business segment analysis: (Cont'd.)

Business segment assets and liabilities analysis:

2023	Note	Property RM'000	Construction RM'000	Industries RM'000	Hospitality RM'000	Financial Services & Investment Holding RM'000	Consolidated RM'000
Assets							
Tangible assets		3,407,121	42,982	271,625	370,485	2,001,172	6,093,385
Intangible assets	3.5	58	–	–	–	4,088	4,146
		3,407,179	42,982	271,625	370,485	2,005,260	6,097,531
Investments in associates and a joint venture	3.4	585,339	–	–	–	3,641,016	4,226,355
Segment assets		3,992,518	42,982	271,625	370,485	5,646,276	10,323,886
Deferred tax assets and tax recoverable		82,843	2,080	85	17,011	9,284	111,303
Total assets		4,075,361	45,062	271,710	387,496	5,655,560	10,435,189
Liabilities							
Segment liabilities		1,997,983	50,381	74,169	162,311	1,847,097	4,131,941
Deferred tax liabilities and tax payable		73,482	34	10,446	5,981	17,901	107,844
Total liabilities		2,071,465	50,415	84,615	168,292	1,864,998	4,239,785
Expenditure capitalised under:							
Property, plant and equipment	3.1(b)(i)	9,190	5,677	20,452	38,494	3,112	76,925
Investment properties	3.2(c)(i)	8,092	–	–	–	–	8,092
Intangible assets	3.5(b)	15	–	–	–	2,134	2,149
Right-of-use assets	3.6(b)(i)	–	–	–	1,592	–	1,592
		17,297	5,677	20,452	40,086	5,246	88,758

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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.)

2022 (Restated)*	**Note**	**Property RM'000**	**Construction RM'000**	**Industries RM'000**	**Hospitality RM'000**	**Financial Services & Investment Holding RM'000**	**Consolidated RM'000**
Assets							
Tangible assets		3,209,958	35,794	237,251	356,999	1,757,366	5,597,368
Intangible assets	3.5	80	–	–	–	2,423	2,503
		3,210,038	35,794	237,251	356,999	1,759,789	5,599,871
Investments in associates and a joint venture	3.4	556,266	–	–	–	3,418,997*	3,975,263
Segment assets		3,766,304	35,794	237,251	356,999	5,178,786	9,575,134
Deferred tax assets and tax recoverable		75,556	1,203	1,321	20,423	7,760	106,263
Total assets		3,841,860	36,997	238,572	377,422	5,186,546	9,681,397
Liabilities							
Segment liabilities		1,836,410	35,884	64,814	162,679	1,720,115	3,819,902
Deferred tax liabilities and tax payable		77,937	31	7,614	6,132	13,440	105,154
Total liabilities		1,914,347	35,915	72,428	168,811	1,733,555	3,925,056
Expenditure capitalised under:							
Property, plant and equipment	3.1(b)(i)	2,392	3,344	3,064	30,739	338	39,877
Investment properties	3.2(c)(i)	7,630	–	–	–	–	7,630
Intangible assets	3.5(b)	6	–	–	–	347	353
		10,028	3,344	3,064	30,739	685	47,860

* These figures have been restated and the details are disclosed in Note 6.1(vi).

Notes to the Financial Statements

31 December 2023

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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 consists 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	Consolidated RM'000
2023				
Revenue		**1,555,478**	**32,339**	**1,587,817**
Profit before tax		**538,501**	**16,615**	**555,116**
Non-current assets^		**2,664,643**	**883**	**2,665,526**
Expenditure capitalised under:				
Property, plant and equipment	3.1(b)(i)	**76,871**	**54**	**76,925**
Investment properties	3.2(c)(i)	**8,092**	**–**	**8,092**
Intangible assets	3.5(b)	**2,130**	**19**	**2,149**
Right-of-use assets	3.6(b)(i)	**1,592**	**–**	**1,592**
		88,685	**73**	**88,758**
2022 (Restated)*				
Revenue		1,309,889	11,005	1,320,894
Profit before tax		480,039*	5,022	485,061
Non-current assets^		2,583,703	1,066	2,584,769
Expenditure capitalised under:				
Property, plant and equipment	3.1(b)(i)	39,831	46	39,877
Investment properties	3.2(c)(i)	7,630	–	7,630
Intangible assets	3.5(b)	64	289	353
		47,525	335	47,860

^ Non-current assets exclude financial instruments, deferred tax assets and investments in associates and a joint venture.
* These figures have been restated and the details are disclosed in Note 6.1(vi).

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.4 CAPITAL MANAGEMENT

This note outlines the overview of the Group's capital management policy.

For 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 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	**2023** **RM'000**	**2022** **(Restated)*** **RM'000**
Borrowings	3.18	**3,259,978**	3,024,709
Lease liabilities	3.6	**719**	2,260
Derivative asset	3.12	**–**	(10,570)
Cash, bank balances and short-term funds	3.17	**(743,579)**	(712,653)
Net debts		**2,517,118**	2,303,746
Issued capital and reserves attributable to Owners of the Company/ Shareholders' funds		**6,120,806**	5,681,466*
Gearing ratio (times)		**0.41**	0.41

The Group manages its treasury centrally via a treasury management centre and allocates cash and financing to support business requirements. The Group maintains a gearing ratio of not exceeding 1.5 times to comply with covenants of borrowings, as disclosed in Notes 3.18(b), 3.18(c) and 3.18(d). The Group has complied with the financial covenants in the current and previous years. During the year, the Group's net debts increased by RM213.4 million and the Shareholders' funds strengthened by RM439.3 million. The gearing ratio of the Group remained at 0.41 times (2022: 0.41 times). No changes were made in the objectives, policies or processes for managing capital as compared with the previous year.

* These figures have been restated and the details are disclosed in Note 6.1(vi).

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.5 DIVIDENDS

This note provides information on dividend distributions paid and proposed by the Company.

		Group and Company			
	Date of payment	Dividend paid in the year ended 31 December		Dividend declared or proposed for the year ended 31 December	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend for the year ended 31 December 2021					
4.0 sen single-tier final dividend	13 May 2022	**–**	82,484	**–**	–
Dividend for the year ended 31 December 2022					
2.0 sen single-tier interim dividend	6 October 2022	**–**	41,242	**–**	41,242
4.0 sen single-tier final dividend	12 May 2023	**82,484**	–	**–**	82,484
Dividend for the year ended 31 December 2023					
3.0 sen single-tier interim dividend	13 October 2023	**61,863**	–	**61,863**	–
Proposed 4.0 sen single-tier final dividend#	17 May 2024	**–**	–	**82,484**	–
		144,347	123,726	**144,347**	123,726

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 2023. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting to be held on 18 April 2024 and is not recognised as a liability as at 31 December 2023. The entitlement date for the final dividend is fixed on 23 April 2024 and such dividend will be accounted for in Shareholders' equity as an appropriation of retained profits in the year ending 31 December 2024 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.

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.6 EARNINGS PER SHARE ("EPS")

This note provides how EPS is computed.

	Group	
	2023	**2022 (Restated)***
Basic		
Profit attributable to Owners of the Company (RM'000)	**466,954**	424,204*
Weighted average number of ordinary shares outstanding ('000)	**2,062,104**	2,062,104
Basic/Diluted EPS (sen)	**22.64**	20.57*

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 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.

* These figures have been restated and the details are disclosed in Note 6.1(vi).

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	**2023**	**2022 (Restated)***
Basic			
Issued capital and reserves attributable to Owners of the Company (RM'000)		**6,120,806**	5,681,466*
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)		**2.97**	2.76*

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.

* These figures have been restated and the details are disclosed in Note 6.1(vi).

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT

This note outlines objectives and policies of how the Group manages their financial risks and liquidity positions and provides information about the types of key financial risks on the financial instruments of the Group which categorised as follows:

(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 ("FVTOCI").

Group	Note	FVTPL RM'000	AC RM'000	FVTOCI RM'000	Total RM'000
2023					
Financial assets					
Capital financing	3.9	**–**	**1,739,084**	**–**	**1,739,084**
Trade receivables	3.10	**–**	**213,648**	**–**	**213,648**
Other assets excluding prepayments	3.11	**–**	**42,197**	**–**	**42,197**
Securities at FVTPL	3.16	**248**	**–**	**–**	**248**
Cash, bank balances and short-term funds	3.17	**214,022**	**529,557**	**–**	**743,579**
		214,270	**2,524,486**	**–**	**2,738,756**
Financial liabilities					
Lease liabilities	3.6	**–**	**719**	**–**	**719**
Borrowings	3.18	**–**	**3,259,978**	**–**	**3,259,978**
Trade payables	3.19	**–**	**137,803**	**–**	**137,803**
Other liabilities excluding provisions	3.20	**–**	**479,656**	**–**	**479,656**
		–	**3,878,156**	**–**	**3,878,156**
2022					
Financial assets					
Capital financing	3.9	–	1,396,816	–	1,396,816
Trade receivables	3.10	–	231,191	–	231,191
Other assets excluding prepayments	3.11	–	36,229	–	36,229
Derivative asset	3.12	–	–	10,570	10,570
Securities at FVTPL	3.16	239	–	–	239
Cash, bank balances and short-term funds	3.17	405,057	307,596	–	712,653
		405,296	1,971,832	10,570	2,387,698
Financial liabilities					
Lease liabilities	3.6	–	2,260	–	2,260
Borrowings	3.18	–	3,024,709	–	3,024,709
Trade payables	3.19	–	117,532	–	117,532
Other liabilities excluding provisions	3.20	–	452,726	–	452,726
		–	3,597,227	–	3,597,227

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

Company	Note	FVTPL RM'000	AC RM'000	FVTOCI RM'000	Total RM'000
2023					
Financial assets					
Other assets excluding prepayments	3.11	**–**	**593**	**–**	**593**
Amounts due from subsidiaries	3.15	**–**	**126**	**–**	**126**
Securities at FVTPL	3.16	**248**	**–**	**–**	**248**
Cash, bank balances and short-term funds	3.17	**21,465**	**415**	**–**	**21,880**
		21,713	**1,134**	**–**	**22,847**
Financial liabilities					
Lease liabilities	3.6	**–**	**4,443**	**–**	**4,443**
Amounts due to subsidiaries	3.15	**–**	**352,062**	**–**	**352,062**
Borrowings	3.18	**–**	**40,000**	**–**	**40,000**
Other liabilities excluding provisions	3.20	**–**	**159**	**–**	**159**
		–	**396,664**	**–**	**396,664**
2022					
Financial assets					
Other assets excluding prepayments	3.11	–	480	–	480
Amounts due from subsidiaries	3.15	–	90	–	90
Securities at FVTPL	3.16	239	–	–	239
Cash, bank balances and short-term funds	3.17	28,040	310	–	28,350
		28,279	880	–	29,159
Financial liabilities					
Lease liabilities	3.6	–	1,144	–	1,144
Amounts due to subsidiaries	3.15	–	479,699	–	479,699
Borrowings	3.18	–	40,000	–	40,000
Other liabilities excluding provisions	3.20	–	158	–	158
		–	521,001	–	521,001

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

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 analysis	Right mix of short-mid-long terms fundings
Borrowings	3.18	Debts maturity analysis	Availability of committed lines and credit facilities
Trade payables	3.19		
Other liabilities excluding provisions	3.20		Monitoring of short-term funds
(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
			Centralisation of treasury management
Housing Development Accounts	3.17		
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	Climate-related rating, if relevant	
Bank balances and short-term funds	3.17		
Financial guarantees given to licensed financial institutions for credit facilities granted to a joint venture	1.8(c)		

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

The Group's Enterprise Risk Management framework outlines the governance and control 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 instruments 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

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 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, and overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigation strategies. Key financial risks 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. The funding needs are primarily met by bank borrowings and internally generated funds.

The Group and the Company seek to achieve a balance between certainty of funding and flexibility through the use of a cost-effective borrowing structure including short-term revolving and bankers' acceptances credits, term lines as well as medium-term notes and Sukuk (Rated and Unrated) as disclosed in Note 3.18. Such policy seeks to ensure that all projected net borrowing needs are covered by adequate committed facilities. In addition, debt maturities are the right mix of short-mid-long terms and are closely monitored to ensure that the Group and the Company can meet its refinancing needs and obligations as and when they fall due. The Group and the Company assessed the concentration of risk for refinancing its debt and concluded it to be low.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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.)

Cash flow forecasts, taking into account all major transactions, are prepared and monitored. Any excess funds from operating cash cycles, which are temporary in nature, are invested in short-term funds as and when available with a wide array of licensed financial institutions at the most beneficial interest rates. The Group and the Company manage the funding needs and allocates funds in such a 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.

Liquidity risk exposures

In respect of the borrowings that are supported by corporate guarantees provided by the Company and its certain subsidiaries as disclosed in Note (c), there was no indication as at 31 December 2023 that any subsidiary or joint venture would default. In the event of a default by the subsidiaries or joint venture, the financial guarantees could be called on demand.

The table below analyses the financial liabilities into relevant maturity grouping based on the remaining period at the end of the year to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and the balances shown below will not agree to the balances as reported in the statements of financial position as the table incorporates all contractual cash flows on an undiscounted basis, including both principal and interest payments.

Group	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Over 5 years RM'000	Total contractual undiscounted cash flows RM'000
2023					
Borrowings	**1,341,583**	**267,137**	**1,158,442**	**976,191**	**3,743,353**
Trade payables	**113,996**	**6,720**	**18,776**	**–**	**139,492**
Lease liabilities	**603**	**101**	**18**	**20**	**742**
Other liabilities excluding provisions	**477,718**	**1,447**	**947**	**–**	**480,112**
	1,933,900	**275,405**	**1,178,183**	**976,211**	**4,363,699**
2022					
Borrowings	1,390,732	247,253	743,152	998,185	3,379,322
Trade payables	97,996	6,443	14,132	–	118,571
Lease liabilities	1,901	391	13	–	2,305
Other liabilities excluding provisions	449,225	2,712	978	–	452,915
	1,939,854	256,799	758,275	998,185	3,953,113

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

(a) Liquidity risk (Cont'd.)

Liquidity risk exposures (Cont'd.)

Company	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Over 5 years RM'000	Total contractual undiscounted cash flows RM'000
2023					
Borrowings	**40,033**	**–**	**–**	**–**	**40,033**
Lease liabilities	**1,876**	**1,876**	**936**	**–**	**4,688**
Other liabilities excluding provisions	**159**	**–**	**–**	**–**	**159**
	42,068	**1,876**	**936**	**–**	**44,880**
Amounts due to subsidiaries	**352,062**	**–**	**–**	**–**	**352,062**
	394,130	**1,876**	**936**	**–**	**396,942**
2022					
Borrowings	40,029	–	–	–	40,029
Lease liabilities	938	84	153	–	1,175
Other liabilities excluding provisions	158	–	–	–	158
	41,125	84	153	–	41,362
Amounts due to subsidiaries	479,699	–	–	–	479,699
	520,824	84	153	–	521,061

(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 floating rate borrowings is managed 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 benefit from the lowest possible finance cost.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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 definition and strategy (Cont'd.)

The Group and the Company manage their interest rate risk by having a balanced portfolio of fixed and variable-rate loans and borrowings. Such 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 2023, after taking into account the effect of interest rate swaps, approximately 37% (2022: 28%) of the Group's borrowings are at the fixed interest rate.

Interest rate risk exposures

The financial instruments 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 (2022: 25) basis points higher/lower for the Group and the Company, with all other variables remained constant, arising mainly as a result of higher/lower net interest income from the capital financing and interest expense from borrowings.

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit after tax				
Interest rates				
- increased by 0.25%	**(1,478)**	(1,743)	**(712)**	(936)
- decreased by 0.25%	**1,478**	1,743	**712**	936

(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 swaps to mitigate currency risk when appropriate.

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 GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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"). Exposure to other currencies mainly included Chinese Yuan Renminbi, Singapore Dollar and Euro.

		Denominated in				
Group	**Note**	**RM RM'000**	**AUD RM'000**	**USD RM'000**	**Others RM'000**	**Total RM'000**
2023						
Financial assets						
Capital financing	3.9	1,273,785	465,299	–	–	1,739,084
Trade receivables	3.10	206,715	–	139	6,794	213,648
Other assets excluding prepayments	3.11	31,499	78	3,585	7,035	42,197
Securities at FVTPL	3.16	248	–	–	–	248
Cash, bank balances and short-term funds	3.17	720,434	11,743	86	11,316	743,579
		2,232,681	477,120	3,810	25,145	2,738,756
Financial liabilities						
Lease liabilities	3.6	719	–	–	–	719
Borrowings	3.18	2,896,650	363,328	–	–	3,259,978
Trade payables	3.19	132,863	1,298	3,197	445	137,803
Other liabilities excluding provisions	3.20	476,723	2,490	443	–	479,656
		3,506,955	367,116	3,640	445	3,878,156

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS 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"). Exposure to other currencies mainly included Chinese Yuan Renminbi, Singapore Dollar and Euro. (Cont'd.)

Group	Note	Denominated in RM RM'000	AUD RM'000	USD RM'000	Others RM'000	Total RM'000
2022						
Financial assets						
Capital financing	3.9	1,078,848	317,968	–	–	1,396,816
Trade receivables	3.10	227,309	–	285	3,597	231,191
Other assets excluding prepayments	3.11	34,627	34	674	894	36,229
Derivative asset	3.12	10,570	–	–	–	10,570
Securities at FVTPL	3.16	239	–	–	–	239
Cash, bank balances and short-term funds	3.17	694,953	10,316	4,024	3,360	712,653
		2,046,546	328,318	4,983	7,851	2,387,698
Financial liabilities						
Lease liabilities	3.6	2,260	–	–	–	2,260
Borrowings	3.18	2,598,689	283,039	142,981	–	3,024,709
Trade payables	3.19	114,448	123	191	2,770	117,532
Other liabilities excluding provisions	3.20	451,887	839	–	–	452,726
		3,167,284	284,001	143,172	2,770	3,597,227

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.

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

(b) Market risk (Cont'd.)

(ii) Currency risk (Cont'd.)

Sensitivity analysis for currency risk

The following table demonstrates sensitivity analysis of the Group's profit after tax to a reasonably possible change in AUD and USD exchange rate against the functional currency of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currency. The Group's exposure to foreign currency changes for all other currencies is not material.

	Group	
	2023 RM'000	**2022 RM'000**
Profit after tax		
AUD/RM		
- strengthen by 3%	**2,508**	1,010
- weaken by 3%	**(2,508)**	(1,010)
USD/RM		
- strengthen by 3%	**4**	(3,151)
- weaken by 3%	**(4)**	3,151

(iii) Other price risks

Commodity price risk

Olympic Cable Company Sdn. Bhd. ("OCC"), a wholly-owned subsidiary of PJ Development Holdings Berhad which in turn a subsidiary of the Company, 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. OCC is exposed to changes in the price of these materials on its forecast purchases.

OCC has enacted a risk management strategy for commodity price risk and its mitigation. Based on 12 months forecast of the required copper and aluminium supply, OCC consider 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. OCC hedges its expected copper purchases when considered to be highly probable. In managing this, OCC 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's expectations about the price changes and defined risk appetite; ensuring the most cost-effective hedging strategies are applied. As at 31 December 2023, OCC did not enter into any forward commodity purchase contract.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

(b) Market risk (Cont'd.)

(iii) Other price risks (Cont'd.)

Commodity price sensitivity

The following table shows the effect of price changes in copper and aluminium:

	Group	
	2023 RM'000	**2022 RM'000**
Profit after tax		
Copper		
- increased by 10%	**(11,233)**	(8,191)
- decreased by 10%	**11,233**	8,191
Aluminium		
- increased by 10%	**(3,200)**	(3,286)
- decreased by 10%	**3,200**	3,286

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 RM38,000 (2022: RM43,000) respectively.

(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 also provides financial guarantees given to licensed financial institutions for credit facilities granted to its 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 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 manages its credit risk by controlling on granting of credits, revision in limits and other monitoring procedures.

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

(c) Credit risk (Cont'd.)

Credit risk definition, strategy and exposures (Cont'd.)

The Group is monitoring the economic environment and reviewing 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 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. The 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 following 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.

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 is made and interest/profit 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 or joint venture is assessed on an individual basis. It is assumed that there is a significant increase in credit risk when the financial position of any of them deteriorates significantly. Amounts due from subsidiaries, associate and joint venture; and financial guarantees are credit impaired when such subsidiary, 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 on the advances and financial guarantees, appropriate forward-looking information and significant increase in credit risk.

Notes to the Financial Statements

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D.)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D.)

(c) Credit risk (Cont'd.)

Impairment assessment (Cont'd.)

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. Amount due from a subsidiary had low credit risk at the end of the year as the subsidiary, OSK Capital (S) Pte. Ltd., a wholly-owned subsidiary of the Company, holding 100% equity investment in OSK Capital (A) Pty. Ltd. which is a cash-generating unit of the Group. Hence, the amount due from a subsidiary is recoverable. The bank balances are placed with credit-worthy licensed financial institutions. Therefore, both bank balances and short-term funds have low credit risk.

Financial guarantee contracts

Corporate guarantees are granted to lenders for financing facilities extended to certain subsidiaries and a joint venture. The maximum credit risk exposure of the financial guarantees issued are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Corporate guarantees given to licensed financial institutions for credit facilities granted to subsidiaries	**–**	–	**3,113,125**	2,566,892
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	**30,015**	32,208	**–**	–
	30,015	32,208	**3,143,525**	2,597,292

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 a joint venture defaulting repayment and the licensed banks calling upon the financial guarantees are remote.

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 material accounting policies and significant judgements. The business segment analysis of certain items is disclosed in Note 1.3(a).

2.1 REVENUE

This note provides information on revenue streams that are generated by the Group. The Group's revenue is generated from the five core reportable business segments as disclosed in Note 1.3(a). The Group's business mainly involves developing and selling properties, leasing commercial space, manufacturing and selling cables and IBS wall panels, letting hotel rooms and managing hotels, providing capital financing and holdings investment. The Company's revenue comprises dividend income from its subsidiaries and an associate, and these dividends are eliminated at the Group following the consolidation accounting requirements.

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Dividend income:					
- Subsidiaries		**–**	–	**231,141**	153,382
- Associate		**–**	–	**174,366**	169,910
		–	–	**405,507**	323,292
Revenue from contracts with customers:					
Progress revenue from property development	3.13(b)(i)	**812,425**	726,523	**–**	–
Service fee income		**154,833**	142,815	**–**	–
Sale of goods and completed properties		**412,677**	305,011	**–**	–
		1,379,935	1,174,349	**–**	–
Revenue from financial assets measured at amortised costs:					
Facilities fees		**18,615**	13,637	**–**	–
Interest income		**132,716**	95,792	**–**	–
Profit income		**18,688**	4,922	**–**	–
Shariah fees		**1,110**	277	**–**	–
Rental income, net of rental concession		**36,753**	31,917	**–**	–
		207,882	146,545	**–**	–
		1,587,817	1,320,894	**405,507**	323,292
Revenue from contracts with customers analysed by timing of revenue recognition where products and services transferred:					
Over time		**14,271**	742,625	**–**	–
At a point in time		**1,365,664**	431,724	**–**	–
		1,379,935	1,174,349	**–**	–

Notes to the Financial Statements

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.1 REVENUE (CONT'D.)

Recognition, measurement and significant judgements

(a) Revenue recognition in relation to performance obligation

Revenue which represents income arising from the course of the 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.

A consideration that is allocated to each performance obligation is recognised as revenue when the customer obtains control of the goods or services. Consideration payable to customers is recognised as a reduction of revenue. At the inception of each contract with a 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

Progress revenue from property development and construction contracts 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. In determining the timing of satisfaction of performance obligation for revenue recognition:

(1) the property development subsidiaries recognise revenue over a period of the contracts using the input method based on a percentage of completion as disclosed in Note 3.7(a)(ii). The 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. During the year, the Construction Segment is focusing on internal projects, thus, the intragroup construction revenue had been eliminated.

(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 legally enforceable rights 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.

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.1 REVENUE (CONT'D.)

Recognition, measurement and significant judgements (Cont'd.)

(a) Revenue recognition in relation to performance obligation (Cont'd.)

(i) Progress revenue from property development and construction contracts (Cont'd.)

In certain circumstances, contracts with customers may include multiple promises to customers and are therefore accounted for as separate performance obligations. The transaction price, which includes 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 price data are not available.

(ii) Service fee income

Hotel room rental, food and beverages revenue and golf course revenue

Room rental revenue is recognised daily based on customer-occupied rooms. Revenue from the 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 rentals are recognised when services are being rendered 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 can 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 with the contract terms.

(iii) Sale of goods

Revenue from the 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 completed properties

Proceeds from sale of 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.

Notes to the Financial Statements

31 December 2023

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.1 REVENUE (CONT'D.)

Recognition, measurement and significant judgements (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 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 such fees are based on the principles of Shariah.

(iii) Dividend income of the Company

Dividend income is recognised when the rights to receive dividend payments have been established.

(iv) Interest income

Interest income on capital financing is accounted for on an accrual basis using the effective interest method by reference to the periods as stipulated in the loan agreements.

(v) Profit income

Profit income on Islamic financing is accounted for 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	**2023 RM'000**	**2022 RM'000**
Property development costs	3.7(b)(ii)	**644,806**	538,454
Construction costs		**48,344**	45,998
Cost of services rendered		**50,551**	42,826
Cost of goods sold		**290,356**	224,031
Financial liabilities measured at amortised costs:			
- Facility and commitment fees		**1,397**	1,820
- Funding costs		**57,005**	32,545
Property maintenance expenses		**19,083**	17,296
		1,111,542	902,970

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

Costs 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

The 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 is charged using the effective interest/profit method.

(b) Other information

Included in cost of sales:

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Depreciation of property, plant and equipment	3.1(b)(iii)	**5,035**	4,912
Depreciation of right-of-use assets	3.6(b)	**483**	371
Staff costs		**42,495**	37,143
Write down/(back) of inventories:			
- finished goods		**3,382**	(668)
- raw materials		**264**	3
- work-in-progress		**(2,401)**	596
Write off of plant and equipment	3.1(b)(iv)	**130**	–

Notes to the Financial Statements

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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 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Other income:					
Financial assets measured at fair value through profit or loss:					
- Dividend income		**9**	9	**9**	9
- Funds distribution income		**6,972**	4,321	**1,693**	248
Financial assets measured at amortised cost:					
- Interest income on deposits and placements with licensed financial institutions		**9,019**	5,224	**283**	7
Management fee income		**150**	150	**18,999**	16,433
Rental income		**3,610**	3,621	**–**	–
Gains, write backs and reversals:					
Fair valuation gain of:					
- investment properties	3.2(c)(i)	**–**	5,987	**–**	–
- retention sums		**1,001**	801	**–**	–
- securities at FVTPL		**9**	12	**9**	12
- short-term funds		**2,103**	3,816	**308**	340
Foreign currency transactions gain		**2,109**	249	**–**	–
Foreign currency translations gain		**976**	140	**–**	–
Gain of financial assets measured at amortised cost:					
- Recovery of bad debts of:					
- capital financing		**–**	32	**–**	–
- trade receivables		**2**	–	**–**	–
- Write back of impairment losses on:					
- capital financing:					
- Collective assessment	3.9(b)(i)	**1,028**	357	**–**	–
- Individual assessment	3.9(b)(i)	**1,393**	–	**–**	–
- trade receivables:					
- Collective assessment	3.10(b)(i)	**489**	1,719	**–**	–
- Individual assessment	3.10(b)(i)	**1,490**	1,011	**–**	–
- other receivables:					
- Individual assessment	3.11(b)(i)	**81**	156	**–**	–
Gain on disposals of property, plant and equipment		**278**	1,492	**–**	–
Gain on redemption of short-term funds		**2,092**	1,077	**274**	438
		13,051	16,849	**591**	790
Others		**5,092**	5,396	**67**	42
		37,903	35,570	**21,642**	17,529

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.3 OTHER INCOME (CONT'D.)

Recognition and measurement

Other income is recognised as and when a performance obligation is satisfied by transferring an asset. An asset is transferred when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by the customer. Certain income with same nature is recognised on the same principles as disclosed in Note 2.1, while others are described below:

(i) Fund distribution income is recognised and measured using the effective interest method over tenures 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) 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.

(iv) All other income is recognised on an accrual basis based on its fair value transacted.

2.4 ADMINISTRATIVE EXPENSES

This note outlines administrative expenses by nature.

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Establishment related expenses					
Amortisation of software licences	3.5(b)	**525**	428	**26**	28
Depreciation of:					
- property, plant and equipment	3.1(b)(iii)	**22,943**	19,563	**209**	199
- right-of-use assets	3.6(b)	**1,879**	13,942	**1,758**	1,757
Insurance		**1,995**	1,656	**22**	19
Quit rent and assessment		**4,096**	4,253	**–**	–
Rental expenses for:					
- lease of low-value assets	3.6(d)(i)	**73**	51	**–**	–
- short-term leases	3.6(d)(i)	**895**	996	**–**	–
Repair and maintenance		**11,432**	10,626	**360**	179
Utility expenses		**8,442**	6,982	**73**	56
Others		**1,271**	1,585	**6**	4
		53,551	60,082	**2,454**	2,242

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.4 ADMINISTRATIVE EXPENSES (CONT'D.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
General administrative expenses				
Auditors' remuneration:				
Statutory audit – current year				
- auditors of the Company	**664**	635	**78**	76
- an affiliate of the Company's auditors	**148**	116	**–**	–
- other auditor	**50**	46	**–**	–
Other audit-related services – current year				
- auditors of the Company	**108**	120	**15**	17
	970	917	**93**	93
Bank charges	**1,791**	1,013	**7**	7
Communication expenses	**1,203**	1,189	**166**	172
Donations	**2,637**	2,067	**600**	400
Food and beverage	**911**	757	**242**	280
Legal and professional fees	**6,957**	4,829	**115**	107
Hotel management fee	**1,302**	348	**–**	–
Printing and stationery	**1,063**	1,353	**198**	203
Repair and maintenance	**1,721**	1,603	**142**	164
Sales and service tax expenses	**1,320**	833	**73**	58
Security services	**1,660**	1,181	**–**	–
Service and registration expenses	**270**	344	**262**	172
Subscription fees	**450**	521	**67**	68
Transport and travelling	**1,431**	1,428	**52**	8
Others	**3,782**	2,674	**1,286**	1,252
	27,468	21,057	**3,303**	2,984
Personnel expenses				
Salaries, allowances, bonuses and other emoluments (net of over provision in prior year)	**85,071**	78,242	**16,132**	14,227
Pension costs – defined contribution plan	**9,715**	9,089	**1,398**	1,400
Others	**7,707**	7,276	**874**	1,046
	102,493	94,607	**18,404**	16,673

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.4 ADMINISTRATIVE EXPENSES (CONT'D.)

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Selling and marketing expenses				
Advertisement and promotion	**10,650**	14,090	**–**	–
Commission	**1,145**	632	**–**	–
Marketing cost	**8,432**	6,272	**–**	–
Others	**506**	830	**–**	–
	20,733	21,824	**–**	–
Total administrative expenses	**204,245**	197,570	**24,161**	21,899

(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	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Directors' remuneration including estimated money value of any other benefits	4.3(b)	**13,618**	12,334	**8,187**	7,483
Staff costs (excluding Directors' remuneration):					
- salaries, allowances, bonuses and other emoluments (net of over provision)		**110,030**	100,046	**8,878**	7,705
- defined contribution plans		**11,859**	10,905	**554**	522
- social security costs		**210**	211	**53**	43
- other staff related expenses		**9,271**	8,254	**732**	920
		131,370	119,416	**10,217**	9,190

Notes to the Financial Statements

31 December 2023

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.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expenses:					
Research and development expenses		**466**	1,193	**–**	–
Loss, write off and allowance for impairment:					
Fair valuation loss of:					
- biological assets	3.14(d)	**75**	5	**–**	–
- short-term funds		**250**	243	**–**	–
Foreign currency transactions loss		**366**	91	**–**	–
Foreign currency translations loss		**1,983**	287	**–**	–
Loss of financial assets measured at amortised cost:					
- Allowance for impairment losses on:					
- capital financing					
- Collective assessment	3.9(b)(i)	**1,043**	420	**–**	–
- Individual assessment	3.9(b)(i)	**2,515**	838	**–**	–
- trade receivables					
- Collective assessment	3.10(b)(i)	**254**	922	**–**	–
- Individual assessment	3.10(b)(i)	**1,275**	1,251	**–**	–
- other receivables					
- Individual assessment	3.11(b)(i)	**195**	294	**–**	–
Loss on disposal of plant and equipment		**119**	167	**–**	–
Loss on redemption of short-term funds		**–**	1,021	**–**	–
Write off of financial assets measured at amortised cost:					
- trade receivables		**11**	81	**–**	–
- other receivables		**3**	–	**–**	–
Write off of:					
- deposit		**2,316**	–	**–**	–
- plant and equipment	3.1(b)(iv)	**214**	284	**–**	–
		10,619	5,904	**–**	–
Reclassification of loss on fair value under hedging reserves upon expiry of hedging instrument from other comprehensive income		**89**	–	**–**	–
Effect of foreign currency translation upon expiry of cash flow hedge	3.12	**(89)**	–	**–**	–
		–	–	**–**	–
Others		**39**	113	**–**	–
		11,124	7,210	**–**	–

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.5 OTHER EXPENSES (CONT'D.)

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 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).

(iii) All other expenses are recognised when the financial obligations of liabilities arise based on the fair values of the transactions.

2.6 FINANCE COSTS

This note outlines the interest expenses incurred, amortisation of finance costs recognised, fees or expenses related to financing and interest capitalised.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are measured at amortised cost:					
- amounts due to subsidiaries		**–**	–	**16,652**	21,291
- lease liabilities	3.6(c)	**49**	545	**122**	78
- medium-term notes and Sukuk		**60,873**	42,400	**–**	–
- revolving credits		**13,726**	20,235	**1,843**	1,506
- term loans		**5,869**	10,867	**–**	–
- bankers' acceptances		**614**	177	**–**	–
		81,131	74,224	**18,617**	22,875
Other finance costs of financial liabilities that are measured at amortised cost:					
- amortisation of finance cost	3.18(g)(i)	**634**	497	**–**	–
- facilities fee		**4,156**	1,295	**227**	348
- retention sums		**455**	2,540	**–**	–
		5,245	4,332	**227**	348
Interest capitalised under:					
- investment properties under construction	3.2(c)(i)	**(1,610)**	(1,019)	**–**	–
- land held for property development	3.7(b)(i)	**(33,520)**	(27,695)	**–**	–
- property development expenditure	3.7(b)(ii)	**(5,251)**	(5,190)	**–**	–
		45,995	44,652	**18,844**	23,223

Recognition and measurement

Finance costs are recognised and measured using the effective interest/profit method over the tenure of the respective amortised cost instruments.

Notes to the Financial Statements

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D.)

2.7 TAX EXPENSE/(INCOME)

This note provides an analysis of the income tax provision that shows how the tax expense/(income) is affected by non-taxable and non-deductible items; and deferred tax that recognised during the year.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax					
- Current year provision		**118,936**	86,141	**455**	2
- Under provision in respect of prior years		**2,542**	2,595	**107**	1
Deferred income tax:					
Deferred tax assets	3.8(b)(i)	**(19,474)**	(19,611)	**(80)**	(76)
Deferred tax liabilities	3.8(b)(ii)	**(17,104)**	(10,889)	**–**	–
		(36,578)	(30,500)	**(80)**	(76)
		84,900	58,236	**482**	(73)
Deferred income tax is analysed as follows:					
Origination and reversal of temporary differences		**(34,139)**	(26,817)	**(80)**	(76)
Over provision in prior years		**(2,439)**	(3,683)	**–**	–
		(36,578)	(30,500)	**(80)**	(76)

Tax expense/(income) analysed by business segments of the Group is disclosed in Note 1.3(a).

(a) Recognition and measurement

Current income tax expense/(income) 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/(income) is calculated based on the respective jurisdictions' statutory income tax rates on the estimated taxable profits for the year as follows:

Country	2023 Tax rate	2022 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/(INCOME) (CONT'D.)

(c) Reconciliation between tax expense/(income) and accounting profit before tax

The reconciliation between Malaysian tax expense/(income) and the product of accounting profit before tax multiplied by the statutory corporate tax rate of 24% (2022: 24%) is as follows:

	Group		Company	
	2023 **RM'000**	**2022 (Restated) RM'000**	**2023** **RM'000**	**2022** **RM'000**
Profit before tax ("PBT")	**555,116**	485,061	**384,144**	295,699
Share of results of associates and a joint venture	**(302,302)**	(280,999)*	**–**	–
PBT before share of results	**252,814**	204,062	**384,144**	295,699
Tax at Malaysian statutory rate on PBT @ 24%	**60,675**	48,975	**92,195**	70,968
Tax effects of:				
- different tax rates in foreign jurisdictions/ other authorities	**555**	(16)	**–**	–
- non-taxable income	**(9,785)**	(12,769)	**(97,464)**	(77,782)
- non-deductible expenses	**32,920**	24,077	**5,644**	6,740
Utilisation of previously unrecognised deferred tax assets	**(3,740)**	(5,442)	**–**	–
Deferred tax assets not recognised during the year	**4,172**	4,499	**–**	–
Over provision of deferred tax in respect of prior years	**(2,439)**	(3,683)	**–**	–
Under provision of income tax in respect of prior years	**2,542**	2,595	**107**	1
Tax expense/(income)	**84,900**	58,236	**482**	(73)

* These figures have been restated and the details are disclosed in Note 6.1(vi).

(d) Other information

The deferred tax assets/liabilities are disclosed in Note 3.8.

Notes to the Financial Statements

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION

This section provides information about individual line items in the statements of financial position, including assets, liabilities, share capital and reserves as well as its applicable accounting policies.

3.1 PROPERTY, PLANT AND EQUIPMENT

This note provides information about the property, plant and equipment (alternatively named as fixed assets) used to generate business income.

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Net carrying amount:				
Freehold land and golf course on freehold land	**172,962**	164,282	**–**	–
Buildings	**278,208**	284,086	**–**	–
Plant and machinery	**30,396**	15,614	**–**	–
Motor vehicles	**2,487**	1,627	**63**	129
Furniture, fittings, equipment and renovation	**110,187**	67,635	**518**	426
Assets under construction	**12,256**	24,129	**–**	–
Bearer plant	**13,301**	13,234	**–**	–
	619,797	570,607	**581**	555

	Group 2023 RM'000	Group 2022 RM'000
Net carrying amount analysed by business segments:		
Property	**171,898**	167,526
Construction	**8,221**	4,097
Industries	**81,424**	66,999
Hospitality	**337,004**	318,275
Financial Services & Investment Holding	**21,250**	13,710
	619,797	570,607

All the property, plant and equipment are in use 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 are 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, depreciation is provided 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. It is required to determine whether these expenditures satisfy the definition of an asset and are recognised as property, plant and equipment.

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. Depreciation expense on property, plant and equipment is recognised in the statement of profit or loss in the expense category that is consistent with the function of the property, plant and equipment. Freehold land and a 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 the 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each year's end and adjusted prospectively, if appropriate.

At each reporting date, an assessment is performed on whether there is an indication of impairment on an asset. 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.

Notes to the Financial Statements
31 December 2023

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.)

For impairment assessment, the 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. The 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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on property, plant and equipment are discussed in Notes 6.3(b)(iv) and 6.3(b)(v).

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 the 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
2023									
Cost									
At the beginning of the year		165,054	442,322	128,717	14,312	168,045	26,249	19,297	963,996
Additions	1.3(a),1.3(b)	6,599	2,529	17,706	1,784	34,211	13,125	971	76,925
Disposals		-	(57)	(606)	(595)	(780)	-	-	(2,038)
Exchange differences		-	-	-	-	3	-	-	3
Write offs	(b)(iv)	-	-	(965)	(15)	(8,142)	-	-	(9,122)
Reclassification upon completion		-	-	2,500	-	22,498	(24,998)	-	-
Reclassified from inventories	3.7(b)(i)	2,081	-	-	-	-	-	-	2,081
At the end of the year		173,734	444,794	147,352	15,486	215,835	14,376	20,268	1,031,845
Accumulated depreciation									
At the beginning of the year		-	141,786	113,103	12,685	99,811	-	6,063	373,448
Charge for the year	(b)(iii)	-	8,357	5,394	924	13,734	-	904	29,313
Disposals		-	(7)	(576)	(595)	(698)	-	-	(1,876)
Write offs	(b)(iv)	-	-	(965)	(15)	(7,798)	-	-	(8,778)
At the end of the year		-	150,136	116,956	12,999	105,049	-	6,967	392,107
Accumulated impairment									
At the beginning/end of the year		772	16,450	-	-	599	2,120	-	19,941
Net carrying amount		172,962	278,208	30,396	2,487	110,187	12,256	13,301	619,797

During the year, freehold land measuring approximately 65.7 acres costing RM2.1 million has been reclassified from land held for property development due to a change in use of the land to coconut plantation.

Notes to the Financial Statements

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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
2022									
Cost									
At the beginning of the year		168,946	454,228	126,653	14,708	143,206	25,357	18,928	952,026
Additions	1.3(a),1.3(b)	–	2,345	3,531	109	29,952	3,571	369	39,877
Disposals		(3,892)	(14,251)	(1,467)	(504)	(7,282)	–	–	(27,396)
Write offs	(b)(iv)	–	–	–	(1)	(533)	–	–	(534)
Reclassification upon completion		–	–	–	–	2,679	(2,679)	–	–
Reclassified from right-of-use assets	3.6(b)(iii)	–	–	–	–	23	–	–	23
At the end of the year		165,054	442,322	128,717	14,312	168,045	26,249	19,297	963,996
Accumulated depreciation									
At the beginning of the year		–	139,191	110,232	12,288	95,635	–	5,159	362,505
Charge for the year	(b)(iii)	–	8,340	4,338	902	10,603	–	904	25,087
Disposals		–	(5,745)	(1,467)	(504)	(6,178)	–	–	(13,894)
Write offs	(b)(iv)	–	–	–	(1)	(249)	–	–	(250)
At the end of the year		–	141,786	113,103	12,685	99,811	–	6,063	373,448
Accumulated impairment									
At the beginning of the year		772	20,132	–	–	2,246	2,120	–	25,270
Disposals		–	(3,682)	–	–	(1,647)	–	–	(5,329)
At the end of the year		772	16,450	–	–	599	2,120	–	19,941
Net carrying amount		164,282	284,086	15,614	1,627	67,635	24,129	13,234	570,607

Notes to the Financial Statements
31 December 2023

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
2023				
Cost				
At the beginning of the year		**464**	**1,245**	**1,709**
Additions		**–**	**235**	**235**
At the end of the year		**464**	**1,480**	**1,944**
Accumulated depreciation				
At the beginning of the year		**335**	**819**	**1,154**
Charge for the year	(b)(iii)	**66**	**143**	**209**
At the end of the year		**401**	**962**	**1,363**
Net carrying amount		**63**	**518**	**581**
2022				
Cost				
At the beginning of the year		464	1,182	1,646
Additions		–	68	68
Disposals		–	(5)	(5)
At the end of the year		464	1,245	1,709
Accumulated depreciation				
At the beginning of the year		269	687	956
Charge for the year	b(iii)	66	133	199
Disposals		–	(1)	(1)
At the end of the year		335	819	1,154
Net carrying amount		129	426	555

Notes to the Financial Statements

31 December 2023

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:

		Group	
	Note	2023 RM'000	2022 RM'000
Freehold land		**32,892**	50,314
Leasehold land		**391**	391
Buildings		**99,518**	134,725
	3.18(e)	**132,801**	185,430

(iii) Depreciation charge

The total depreciation charge for the year is as follows:

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in profit or loss and classified under:					
- Cost of sales	2.2(b)	**5,035**	4,912	**–**	–
- Administrative expenses	2.4	**22,943**	19,563	**209**	199
Charged to contract assets and liabilities in relation to construction contracts		**1,335**	612	**–**	–
	(b)(i)	**29,313**	25,087	**209**	199

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 offs

Plant and equipment written off for the year are as follows:

		Group	
	Note	2023 RM'000	2022 RM'000
Cost		**9,122**	534
Accumulated depreciation		**(8,778)**	(250)
Net carrying amount		**344**	284
Recognised in profit or loss and classified under:			
- Cost of sales	2.2(b)	**130**	–
- Other expenses	2.5	**214**	284
	(b)(i)	**344**	284

These write offs are no longer in use and do not generate future economic benefits to the Group.

(v) Impairment

Impairment assessment on property, plant and equipment of certain subsidiaries was carried out based on the "value-in-use" of CGU by using the key assumptions as disclosed in Note (a) above. There was no indication of impairment as the recoverable amounts of such CGU were higher than their carrying amounts. For assessment of the 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.

Notes to the Financial Statements

31 December 2023

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.

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Investment properties	(c)(i)	**449,357**	449,055
Investment properties under construction	(c)(i)	**49,155**	40,880
		498,512	489,935
Carrying amount analysed by business segments:			
Property		**498,247**	489,670
Industries		**265**	265
		498,512	489,935

(a) Recognition, measurement and significant judgement

Investment properties of the Group comprise a shopping mall, hypermarket 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, 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 office buildings are classified under the Property Segment while presented in segment information (Note 1.3) to reflect the nature of the business.

Investment properties comprise properties held for rental yields or capital appreciation or both and are not occupied by the Group.

Investment properties are capitalised 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. These investment properties are capitalised 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 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 capitalised 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.

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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.2 INVESTMENT PROPERTIES (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

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 capitalised in the statement of profit or loss. In determining the amount of consideration from the derecognition of investment property, the effects of variable consideration will be considered, the 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, such property is accounted in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on investment properties are discussed in Note 6.3(b)(x).

(b) Fair value measurement and significant judgement

(i) Valuation process overview

The investment properties are valued by independent professionally qualified valuers who hold capitalised 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.

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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.)

(ii) Valuation techniques adopted

Pursuant to MFRS 13 'Fair Value Measurement', a fair value hierarchy has been established 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.

Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets in the financial statements. Unobservable inputs used in fair value measurements reflect the assumptions that market participants would use, including assumptions about climate-related risk, where applicable.

(iii) Fair value measurement of investment properties

Independent valuation specialists are engaged 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 the income capitalisation method include:

(1) Estimated rental : based on the estimated income of the existing lease agreement

(2) Term rate : capitalisation rate for the term of lease based on current rate of return of the properties in the market

(3) Reversion rate : capitalisation rate for perpetuity based on current rate of return of the properties in the market

(4) Void allowance : based on the current occupancy rate in the market according to the type and location of the properties

The comparison method analyses recent transactions and asking prices of similar properties in the larger locality with applicable adjustments made for differences in location, size, etc.

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 (Cont'd.)

Under the cost method, the land and the building of a property are valued separately. The value of the land is derived based on the comparison method which analyses recent transactions and asking prices 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 the 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 in estimated rental income or replacement cost would result in a higher fair value of the investment property or vice versa. The higher term rate, reversion rate, void allowance or depreciation would otherwise result in lower fair value of the investment property or vice versa.

The carrying amounts of the investment properties are categorised into the fair value hierarchy as follows:

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Level 1		**–**	–
Level 2		**14,921**	14,921
Level 3	(b)(iv)	**434,436**	434,134
		449,357	449,055

(iv) Fair value reconciliation of investment properties measured at Level 3

Group	**Shopping mall, hypermarket premises and car park RM'000**	**Other premises RM'000**	**Total RM'000**
2023			
At the beginning of the year	**427,633**	**6,501**	**434,134**
Expenditure incurred	**302**	**–**	**302**
At the end of the year	**427,935**	**6,501**	**434,436**
2022			
At the beginning of the year	421,145	6,501	427,646
Expenditure incurred	501	–	501
Gain on fair valuation	5,987	–	5,987
At the end of the year	427,633	6,501	434,134

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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 (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 2023	Group 2022
Shopping mall	Comparison	Adjusted property value (RM)	**676 – 677 per sqft**	676 – 677 per sqft
Hypermarket premises	Income Capitalisation	Estimated rental per year (RM'000)	**648 – 873**	648 – 873
		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 2023 RM'000	Group 2022 RM'000
Investment properties, at fair value			
At the beginning of the year		**449,055**	442,567
Expenditure incurred		**302**	501
Fair valuation gain recognised in profit or loss	2.3	**–**	5,987
At the end of the year		**449,357**	449,055

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 2023 RM'000	Group 2022 RM'000
Investment properties under construction, at cost			
At the beginning of the year		**40,880**	33,751
Expenditure incurred		**7,790**	7,129
Reclassified from inventories	3.7(b)(i)	**485**	–
At the end of the year		**49,155**	40,880
		498,512	489,935
Total expenditure capitalised	1.3(a),(b)	**8,092**	7,630

During the year, freehold land measuring approximately 0.9 acres costing RM0.5 million has been transferred from land held for property development due to a change in use of the land to investment property for leasing.

As disclosed in Note 2.6, interest of RM1.6 million (2022: RM1.0 million) was capitalised during the year which was calculated based on interest rates ranging from 4.45% to 4.90% (2022: 3.46% to 4.43%).

During the previous year, a net fair valuation gain of RM6.0 million was recognised on the investment properties of the Group based on indicative market values. The additional costs incurred were for the existing investment properties.

(ii) Rental income and direct expenses

Rental income and direct expenses arising from investment properties during the year are as follows:

	Group 2023 RM'000	Group 2022 RM'000
Rental income generating	**27,432**	23,191
Direct expenses incurred to generate the rental income	**15,381**	14,270

(iii) Other relevant information

Investment properties with a total carrying amount of RM438.1 million (2022: RM430.3 million) are pledged to licensed financial institutions to secure Tranche 1 of MTN 3 issued and term loans as disclosed in Notes 3.18(c)(i) and 3.18(e) respectively.

No restriction on realisability of investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

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31 December 2023

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	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia	(d)(i)	**1,715,243**	1,617,762

(a) Recognition, measurement and significant judgement

Subsidiaries are all entities, over which the Group has control as described in Note 1.2(c). Investments in subsidiaries are recognised upon the power to control entities is established. Investments in subsidiaries are stated at cost, measured at the fair value of the 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 in each reporting period. The recoverable amount, if estimated using the value in use, is to be based on reasonable and supportable assumptions that represent the Company's best estimate of the range of future economic conditions. For value-in-use calculations, the future cash flows are to be estimated for an asset in its current condition, so the Company will need to exclude any estimated cash flows expected to arise from enhancing the asset's performance.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on investments in subsidiaries are discussed in Note 6.3(b)(v).

(b) Changes in Group's composition for the year ended 31 December 2023

(i) Newly incorporated subsidiaries

(1) On 8 March 2023, OSK Property Holdings Berhad ("OSKPH"), which in turn is a subsidiary of the Company, incorporated a wholly-owned subsidiary, Harta Harmoni Sdn. Bhd. ("HHSB") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of HHSB is property development.

On 27 December 2023, OSKPH subscribed for 9,999 new ordinary shares in HHSB for cash of RM9,999. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM10,000. Upon completion of the shares subscription, the Company's effective equity interest in HHSB remained at 99.93%.

(2) On 27 April 2023, OSKPH incorporated a wholly-owned subsidiary, Astana Harmoni Sdn. Bhd. ("AHSB") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of AHSB is property development.

On 18 December 2023, OSKPH subscribed for 9,999 new ordinary shares in AHSB for cash of RM9,999. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM10,000. Upon completion of the shares subscription, the Company's effective equity interest in AHSB remained at 99.93%.

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 2023 (Cont'd.)

(ii) Changes in equity interests in PJ Development Holdings Berhad ("PJDH")

Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company. During the year, the Company acquired 9,500 ordinary shares of PJDH for a total amount of RM11,400.

The acquisitions of additional equity interests from non-controlling interests of PJDH have the following effects on the Group:

	RM'000
Net assets acquired from non-controlling interests	(25)
Gain on consolidation recognised in the statement of changes in equity	14
Net cash outflow on acquisitions of additional ordinary shares in PJDH	(11)

The Company's equity interest in PJDH remained at 97.31%.

(iii) Subscription of shares in subsidiaries

(1) On 27 April 2023, the Company subscribed for 25,000,000 new ordinary shares in OSK Capital Sdn. Bhd. ("OSK Capital") for cash of RM25,000,000. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM150,000,000 to RM175,000,000. The principal activity of OSK Capital is capital financing business. Upon completion of the shares subscription, the Company's equity interests in OSK Capital remained at 100%.

(2) On 23 May 2023 and 19 December 2023, the Company subscribed for 9,500,000 and 20,000,000 new ordinary shares in OSK Syariah Capital Sdn. Bhd. ("OSKSC") for cash of RM9,500,000 and RM20,000,000 respectively. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM500,000 to RM30,000,000. The principal activity of OSKSC is provision of Islamic capital financing. Upon completion of the shares subscriptions, the Company's equity interests in OSKSC remained at 100%.

(3) On 23 August 2023 and 24 October 2023, the Company subscribed for 4,409,472 and 8,578,811 new ordinary shares in OSK Capital (S) Pte. Ltd. ("OSKC (S)") for cash of SGD4,409,472 and SGD8,578,811 respectively. Accordingly, the issued and paid-up ordinary share capital of this company increased from SGD14,084,835 to SGD27,073,118. The principal activity of OSKC (S) is investment holding. Upon completion of the shares subscriptions, the Company's equity interests in OSKC (S) remained at 100%.

(4) On 23 August 2023 and 24 October 2023, OSKC (S) subscribed for 5,000,000 and 10,000,000 new ordinary shares in OSK Capital (A) Pty. Ltd. ("OSKC (A)") for cash of AUD5,000,000 and AUD10,000,000 respectively. Accordingly, the issued and paid-up ordinary share capital of this company increased from AUD15,000,001 to AUD30,000,001. The principal activity of OSKC (A) is capital financing business. Upon completion of the shares subscriptions, the Company's effective equity interests in OSKC (A) remained at 100%.

(5) On 29 December 2023, the Company subscribed for 100,000 new ordinary shares in OSK Mumawal Sdn. Bhd. ("OSKM") for cash of RM100,000. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM100,001. The principal activity of OSKM is provision of Islamic financing services. Upon completion of the shares subscription, the Company's equity interests in OSKM remained at 100%.

Notes to the Financial Statements

31 December 2023

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 2023 (Cont'd.)

(iv) Capital repayment by a subsidiary

On 18 September 2023, KE-ZAN Holdings Berhad ("KZH"), a wholly-owned subsidiary of the Company, repaid RM2,000,000 out of its capital to the Company. Accordingly, the issued and paid-up ordinary share capital of this company decreased from RM8,000,000 to RM6,000,000. Upon completion of the capital repayment, the Company's equity interests in KZH remained at 100%.

(v) Subscription of ordinary shares in Damai Laut Golf Resort Sdn. Bhd. ("DLGR") by PJD Hotels Sdn. Bhd. ("PJD Hotels")

On 21 December 2023, PJD Hotels, a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, subscribed for 2,000,000 new ordinary shares at RM1 each in DLGR. Accordingly, the issued and paid-up ordinary share capital of DLGR increased from RM138,666,869 to RM140,666,869. Upon completion of the share subscriptions, the Company's effective equity interest in DLGR remained at 96.96%.

The subscription of shares has the following effects on the Group:

	RM'000
Net liabilities acquired from non-controlling interests	7
Loss on consolidation recognised in the statement of changes in equity	(7)
Net cash in/(out) flow on the subscription of ordinary shares in DLGR	–

(c) Changes in Group's composition for the year ended 31 December 2022

(i) Change of company name in L26 Tower Sdn. Bhd. ("L26 Tower")

On 14 January 2022, L26 Tower, a wholly-owned subsidiary of OSKPH, which in turn is a subsidiary of the Company changed its name to Mori Park Sdn. Bhd..

(ii) Striking off/dissolution of dormant subsidiaries

(1) On 23 February 2022, OCC Malaysia Sdn. Bhd. ("OCCM"), a dormant company and wholly-owned subsidiary of OSK Industries Limited ("OSKIL"), an indirect wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, was struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette.

(2) On 29 March 2022, PJDC International Sdn. Bhd. ("PJDCI"), a dormant company and wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, was struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette.

(3) On 8 November 2022, PJ Equity Sdn. Bhd. ("PJE"), a dormant company and wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, was struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette.

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 2022 (Cont'd.)

(ii) Striking off/dissolution of dormant subsidiaries (Cont'd.)

(4) On 20 December 2022, Eframe Sdn. Bhd. ("Eframe") and Eframe Solutions Sdn. Bhd. ("EframeSol"), both are dormant companies and wholly-owned subsidiaries of PJDH, which in turn are subsidiaries of the Company, were struck off from the registrar upon the publication of the notice of striking off pursuant to Section 551(3) of the CA2016 in the Gazette.

(5) OCC Cables Limited ("OCCL"), a wholly-owned subsidiary of OSKIL, which is a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company. On 30 December 2022, OCCL and OSKIL were dissolved from the register under the British Virgin Islands Business Companies Act 2004 by application to the Register of Corporate Affairs of the British Virgin Islands.

Striking offs of OCCM, PJDCI, PJE, Eframe and EframeSol; and the dissolutions of OCCL and OSKIL did not have any material financial impact on the Group.

(iii) Newly incorporated subsidiaries

(1) On 23 May 2022, OSK Fintech Sdn. Bhd. ("OSKFT"), a subsidiary of the Company incorporated a wholly-owned subsidiary, OSK eCapital Sdn. Bhd. ("OSK eCap") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of OSK eCap is to operate a financing platform to provide an Earned Wage Access ("EWA") solution.

On 28 July 2022, OSKFT subscribed for 799,999 new ordinary shares at RM1 each in OSK eCap. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM800,000. Upon completion of the shares subscription, the Company's effective equity interest in OSK eCap remained at 100%.

(2) On 12 July 2022, the Company incorporated a wholly-owned subsidiary, OSK Almal Sdn. Bhd. ("OSK AL") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of OSK AL is provision of Islamic financing services.

On 2 August 2022, the Company subscribed for 1,999,999 new ordinary shares of RM1 each in OSK AL. Accordingly, the issued and paid-up ordinary share capital of OSK AL increased from RM1 to RM2,000,000. Upon completion of the shares subscription, the Company's equity interest in OSK AL remained at 100%.

(3) On 13 July 2022, OSKPH incorporated a wholly-owned subsidiary, OSK Amanjaya Sdn. Bhd. ("OSK AJ") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of OSK AJ is property development.

On 5 December 2022, OSKPH subscribed for 999,999 new ordinary shares at RM1 each in OSK AJ. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM1,000,000. Upon completion of the shares subscription, the Company's effective equity interest in OSK AJ remained at 99.93%.

Notes to the Financial Statements
31 December 2023

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 2022 (Cont'd.)

(iii) Newly incorporated subsidiaries (Cont'd'.)

(4) On 30 September 2022, the Company incorporated a wholly-owned subsidiary, OSK Mumawal Sdn. Bhd. ("OSKM") with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of OSKM is provision of Islamic financing services.

(iv) Subscription of ordinary shares in Damai Laut Golf Resort Sdn. Bhd. ("DLGR") by PJD Hotels Sdn. Bhd. ("PJD Hotels")

On 26 April 2022 and 24 November 2022, PJD Hotels, a wholly-owned subsidiary of PJDH, which in turn is a subsidiary of the Company, subscribed for 54,448,969 and 2,000,000 new ordinary shares at RM1 each in DLGR. Accordingly, the issued and paid-up ordinary share capital of DLGR increased from RM82,217,900 to RM138,666,869. Upon completion of the share subscriptions, the Company's effective equity interest in DLGR increased to 96.96% from 96.63%.

The subscription of shares has the following effects on the Group:

	RM'000
Net liabilities acquired from non-controlling interests	329
Loss on consolidation recognised in the statement of changes in equity	(329)
Net cash in/(out) flow on the subscription of ordinary shares in DLGR	–

(v) Changes in equity interests in PJDH

Acquisitions of additional equity interests from non-controlling interests of PJDH, a subsidiary of the Company. During the year, the Company acquired 454,800 ordinary shares of PJDH for a total amount of RM671,160.

The acquisitions of additional equity interests from non-controlling interests of PJDH have the following effects on the Group:

	RM'000
Net assets acquired from non-controlling interests	(1,276)
Gain on consolidation recognised in the statement of changes in equity	605
Net cash outflow on acquisitions of additional ordinary shares in PJDH	(671)

The Company's equity interest in PJDH increased to 97.31% from 97.22%.

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 2022 (Cont'd.)

(vi) Subscription of shares in subsidiaries

(1) On 27 April 2022, the Company subscribed for 150,000 new ordinary shares in OSK Academy Sdn. Bhd. ("OSKA") for cash of RM150,000. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM350,001 to RM500,001. The principal activity of OSKA is learning academy. Upon completion of the shares subscription, the Company's equity interests in OSKA remained at 100%.

(2) On 28 July 2022 and 6 October 2022, the Company subscribed for 799,999 and 5,100,000 new ordinary shares in OSKFT for cash of RM799,999 and RM5,100,000 respectively. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM2,240,000 to RM8,139,999. The principal activity of OSKFT is investment holding. Upon completion of the shares subscriptions, the Company's equity interests in OSKFT remained at 100%.

(3) On 6 October 2022, OSKFT subscribed for 5,100,000 new ordinary shares in Lyte Malaysia Sdn. Bhd. ("LMSB") for cash of RM5,100,000. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM4,000,000 to RM14,000,000. The principal activity of LMSB is to operate a technology and financing platform to provide solutions to freelancers and small and medium-sized enterprises. Upon completion of the shares subscription, the Company's effective equity interests in LMSB remained at 51%.

(4) On 20 December 2022, the Company subscribed for 9,050,536 new ordinary shares in OSKC (S) for cash of SGD9,050,536. Accordingly, the issued and paid-up ordinary share capital of this company increased from SGD5,034,299 to SGD14,084,835. The principal activity of OSKC (S) is investment holding. Upon completion of the shares subscription, the Company's equity interests in OSKC (S) remained at 100%.

(5) On 20 December 2022, OSKC (S) subscribed for 10,000,000 new ordinary shares in OSKC (A) for cash of AUD10,000,000. Accordingly, the issued and paid-up ordinary share capital of this company increased from AUD5,000,001 to AUD15,000,001. The principal activity of OSKC (A) is capital financing business. Upon completion of the shares subscription, the Company's effective equity interests in OSKC (A) remained at 100%.

Notes to the Financial Statements
31 December 2023

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 2023 RM'000	Company 2022 RM'000
Unquoted shares in Malaysia			
Cost			
At the beginning of the year		**1,715,739**	1,677,468
Acquisition of additional equity interests from non-controlling interests	(b)(ii),(c)(v)	**11**	671
Subscription of shares	(b)(iii)(1),(2),(3),(5),(c)(iii)(2),(4),(c)(vi)(1),(2),(4)	**99,470**	37,600
Capital repayment from a subsidiary	(b)(iv)	**(2,000)**	–
At the end of the year		**1,813,220**	1,715,739
Accumulated impairment losses			
At the beginning/end of the year		**(97,977)**	(97,977)
		1,715,243	1,617,762
Loans to subsidiaries			
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)
		–	–
		1,715,243	1,617,762

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(e) Subsidiaries with non-controlling interest

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
2023				
Proportion of ownership interest held by non-controlling interests	**0.07%**	**2.69%**	**49.00%**	
Accumulated non-controlling interests	**30,868**	**37,530**	**6,200**	**74,598**
Profit/(Loss) attributable to non-controlling interests	**1,123**	**2,218**	**(79)**	**3,262**
Dividend paid to non-controlling interests of OSKPH/PJDH/LMSB	**–**	**–**	**–**	**–**
2022				
Proportion of ownership interest held by non-controlling interests	0.07%	2.69%	49.00%	
Accumulated non-controlling interests	29,745	38,851	6,279	74,875
Profit/(Loss) attributable to non-controlling interests	790	2,184	(353)	2,621
Dividend paid to non-controlling interests of OSKPH/PJDH/LMSB	–	–	–	–

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.

Notes to the Financial Statements

31 December 2023

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:

	2023		2022	
	OSKPH Group RM'000	**PJDH Group RM'000**	**OSKPH Group RM'000**	**PJDH Group RM'000**
Aggregated assets and liabilities (100%)				
Current assets	**913,604**	**740,692**	740,632	838,640
Non-current assets	**1,722,671**	**1,186,020**	1,627,523	1,102,029
Total assets	**2,636,275**	**1,926,712**	2,368,155	1,940,669
Current liabilities	**(1,785,049)**	**(460,686)**	(1,598,263)	(421,018)
Non-current liabilities	**(44,588)**	**(119,836)**	(50,372)	(127,032)
Total liabilities	**(1,829,637)**	**(580,522)**	(1,648,635)	(548,050)
Net assets	**806,638**	**1,346,190**	719,520	1,392,619
Aggregated results (100%)				
Revenue	**759,651**	**776,910**	538,502	674,373
Profit for the year	**87,118**	**84,283**	69,388	84,031
Other comprehensive income/(expenses)	**–**	**25,126**	–	(6,538)
Total comprehensive income	**87,118**	**109,409**	69,388	77,493
Profit/(Loss) attributable to:				
- owners of OSKPH/PJDH	**86,024**	**84,297**	68,629	84,080
- non-controlling interests of OSKPH/PJDH	**1,094**	**(14)**	759	(49)
	87,118	**84,283**	69,388	84,031
Total comprehensive income/(expenses) attributable to:				
- owners of OSKPH/PJDH	**86,024**	**109,423**	68,629	77,542
- non-controlling interests of OSKPH/PJDH	**1,094**	**(14)**	759	(49)
	87,118	**109,409**	69,388	77,493
Aggregated cash flows (100%)				
Net cash from/(used in):				
- operating activities	**150,069**	**76,629**	(8,851)	103,153
- investing activities	**(57,675)**	**(6,655)**	(18,744)	(31,297)
- financing activities	**38,266**	**(163,845)**	25,717	(150,130)
Net increase/(decrease) in cash and cash equivalents	**130,660**	**(93,871)**	(1,878)	(78,274)

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise.

			Effective proportion of ownership interest	
	Name of companies	**Principal activities/Place of incorporation**	**2023 %**	**2022 %**
	KE-ZAN Holdings Berhad	Property investment and letting of commercial properties	**100.00 (b)(iv)**	100.00
	OSK Academy Sdn. Bhd.	Learning academy	**100.00**	100.00 (c)(vi)(1)
	OSK Almal Sdn. Bhd.	Provision of Islamic financing services	**100.00**	100.00 (c)(iii)(2)
	OSK Capital Sdn. Bhd.	Capital financing business	**100.00 (b)(iii)(1)**	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 (b)(iii)(3)**	100.00 (c)(vi)(4)
	Subsidiary of OSK Capital (S) Pte. Ltd.			
	# OSK Capital (A) Pty. Ltd.	Capital financing business – Australia	**100.00 (b)(iii)(4)**	100.00 (c)(vi)(5)
	OSK Design Sdn. Bhd.	Interior design and fit-out	**100.00**	100.00
	OSK Factoring Sdn. Bhd.	Provision of factoring facilities	**100.00**	100.00
	OSK Fintech Sdn. Bhd.	Investment holding	**100.00**	100.00 (c)(vi)(2)

Notes to the Financial Statements

31 December 2023

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of OSK Fintech Sdn. Bhd.			
Lyte Malaysia Sdn. Bhd.	Operate technology and financing platform to provide solutions to freelancers and SMEs	**51.00**	51.00 (c)(vi)(3)
OSK eCapital Sdn. Bhd.	Operate financing platform to provide Earned Wage Access ("EWA") solution	**100.00**	100.00 (c)(iii)(1)
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 Mumawal Sdn. Bhd.	Provision of Islamic financing services	**100.00 (b)(iii)(5)**	100.00 (c)(iii)(4)
OSK Property Holdings Berhad	Investment holding	**99.93**	99.93
OSK RE Sdn. Bhd.	Operation of generation facilities that produce solar energy, provides solar power purchase agreement and/or solar leasing services	**100.00**	100.00
OSK Rated Bond Sdn. Bhd.	Provision of treasury management	**100.00**	100.00
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
OSK Syariah Capital Sdn. Bhd.	Provision of Islamic capital financing	**100.00 (b)(iii)(2)**	100.00
PJ Development Holdings Berhad	Investment holding, property investment and provision of management services	**97.31 (b)(ii)**	97.31 (c)(v)

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of OSK Property Holdings Berhad			
Aspect Dynamic Sdn. Bhd.	Property development	**99.93**	99.93
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**	99.93
Astana Harmoni Sdn. Bhd.	Property development	**99.93 (b)(i)(2)**	–
Atria Damansara Sdn. Bhd.	Property investment and development	**99.93**	99.93
Atria Parking Management Sdn. Bhd.	Car park management and operations	**99.93**	99.93
Atria Shopping Gallery Sdn. Bhd.	Mall management and operations	**99.93**	99.93
Country Wheels Sdn. Bhd.	Property development	**50.97**	50.97
Harta Harmoni Sdn. Bhd.	Property development	**99.93 (b)(i)(1)**	–
Jelang Vista Sdn. Bhd.	Property development	**99.93**	99.93
Mori Park Sdn. Bhd.	Property development	**99.93**	99.93 (c)(i)
OSK Amanjaya Sdn. Bhd.	Property development	**99.93**	99.93 (c)(iii)(3)
OSK Properties Sdn. Bhd.	Property development, investment and sale of oil palm fresh fruit bunches	**99.93**	99.93

Notes to the Financial Statements
31 December 2023

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of OSK Property Holdings Berhad (Cont'd.)			
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

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of PJ Development Holdings Berhad			
Aco Built System Sdn. Bhd.	Installation of concrete wall panels	**97.31**	97.31
Acotec Sdn. Bhd.	Manufacturing and sale of concrete wall panels and trading of building materials	**97.31**	97.31
Subsidiaries of Acotec Sdn. Bhd.			
Acotec-Concrete Products Sdn. Bhd.	Property investment and rental services	**97.31**	97.31
Malayan AECA Sdn. Bhd.	Manufacturing	**97.31**	97.31
PJD Concrete Land (JB) Sdn. Bhd.	Property investment	**97.31**	97.31
PJD Concrete Land (South) Sdn. Bhd.	Property investment	**97.31**	97.31
Ancient Capital Sdn. Bhd.	Retail management and operations	**97.31**	97.31
Bindev Sdn. Bhd.	Property development	**97.31**	97.31
Bunga Development Sdn. Bhd.	Property development	**97.31**	97.31

Notes to the Financial Statements
31 December 2023

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd.)			
Subsidiary of Bunga Development Sdn. Bhd.			
Kulai Management Services Sdn. Bhd.	Provision of property management services	**97.31**	97.31
DLHA Management Services Sdn. Bhd.	Investment holding	**97.31**	97.31
Harbour Place Management Services Sdn. Bhd.	Provision of property management services	**97.31**	97.31
HTR Management Services Sdn. Bhd.	Provision of property management services	**97.31**	97.31
Kota Mulia Sdn. Bhd.	Property development and investment	**97.31**	97.31
Subsidiaries of Kota Mulia Sdn. Bhd.			
PJD Highland Resort Sdn. Bhd.	Property development	**97.31**	97.31
PTC Management Services Sdn. Bhd.	Provision of property management services	**97.31**	97.31
OCC Cables Berhad	Investment holding	**97.31**	97.31

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

	Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
	Subsidiaries of PJ Development Holdings Berhad (Cont'd.)			
	Subsidiary of OCC Cables Berhad			
	PJ Exim Sdn. Bhd.	Trading of cable products	**97.31**	97.31
	OSK Construction Sdn. Bhd.	Construction	**97.31**	97.31
	Olympic Cable Company Sdn. Bhd.	Manufacturing and sale of cables and wires	**97.31**	97.31
	Olympic Properties Sdn. Bhd.	Property investment	**97.31**	97.31
**	Pengerang Jaya Pte. Ltd.	Investment holding – Singapore	**97.31**	97.31
	Subsidiary of Pengerang Jaya Pte. Ltd.			
	P.J. (A) Pty. Limited	Investment holding and hotel business – Australia	**97.31**	97.31
	PJD Central Sdn. Bhd.	Property development and investment	**97.31**	97.31
	PJD Eastern Land Sdn. Bhd.	Property development and investment	**97.31**	97.31
	PJD Hartamas Sdn. Bhd.	Property development and investment	**97.31**	97.31
	PJD Hotels Sdn. Bhd.	Investment holding and hotel and restaurant business and oil palm plantation business	**97.31**	97.31

Notes to the Financial Statements
31 December 2023

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

Name of companies	Principal activities/Place of incorporation	Effective proportion of ownership interest 2023 %	2022 %
Subsidiaries of PJ Development Holdings Berhad (Cont'd.)			
Subsidiaries of PJD Hotels Sdn. Bhd.			
Damai Laut Golf Resort Sdn. Bhd.	Development and investment in resort property, hotel and restaurant business, operation of golf course and coconut plantation business	**96.96 (b)(v)**	96.96 (c)(iv)
MM Hotels Sdn. Bhd.	Hotel and restaurant business	**97.31**	97.31
Swiss-Garden Management Services Sdn. Bhd.	Hotel and restaurant business	**97.31**	97.31
PJD Land Sdn. Bhd.	Leasing of office cum commercial building	**97.31**	97.31
PJD Landmarks Sdn. Bhd.	Property development	**97.31**	97.31
PJD Management Services Sdn. Bhd.	Provision of property management and facilities services and all aspect of the hotel and restaurant business	**97.31**	97.31
PJD Pravest Sdn. Bhd.	Cultivation of oil palm	**97.31**	97.31
PJD Properties Management Sdn. Bhd.	Provision of project management services	**97.31**	97.31
PJD Realty Sdn. Bhd.	Property development	**97.31**	97.31
PJD Regency Sdn. Bhd.	Property development	**97.31**	97.31
PJD Sejahtera Sdn. Bhd.	Property development	**97.31**	97.31
PKM Management Services Sdn. Bhd.	Provision of property management services	**97.31**	97.31

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 is in Malaysia and/or incorporated in Malaysia unless indicated otherwise. (Cont'd.)

		Effective proportion of ownership interest	
Name of companies	**Principal activities/Place of incorporation**	**2023 %**	**2022 %**
Subsidiaries of PJ Development Holdings Berhad (Cont'd.)			
Putri Kulai Sdn. Bhd.	Property investment	**97.31**	97.31
SGI Vacation Club Berhad	Operation and management of timeshare membership scheme	**97.31**	97.31
Superville Sdn. Bhd.	Property investment	**97.31**	97.31
Swiss-Garden Hotel Management Sdn. Bhd.	Hotel management and consultancy services	**97.31**	97.31
Swiss-Garden International Sdn. Bhd.	Hotel management and consultancy services	**97.31**	97.31
Swiss-Garden Rewards Sdn. Bhd.	Marketing of timeshare memberships	**97.31**	97.31
Swiss-Inn JB Sdn. Bhd.	Hotel and restaurant business	**97.31**	97.31
Vibrant Practice Sdn. Bhd.	Car park management and operations	**97.31**	97.31

\# Audited by BDO PLT member firms.
** Audited by firms of auditors other than BDO PLT in Malaysia and BDO member firms.

The financial statements of all subsidiaries used in consolidation are prepared as of 31 December.

Notes to the Financial Statements

31 December 2023

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 the equity method of accounting and these investments generate dividend income and account for the share of results at the Group.

		Group		Company	
	Note	**2023** **RM'000**	**2022 (Restated)*** **RM'000**	**2023** **RM'000**	**2022** **RM'000**
Investments in associates					
Quoted shares in Malaysia		**2,367,443**	2,345,733	**2,367,443**	2,345,733
Unquoted shares in Malaysia		**–^^**	–^^	**–**	–
Unquoted shares outside Malaysia		**496,097**	496,097	**–**	–
Foreign currency translation differences		**(20,120)**	(45,262)	**–**	–
		2,843,420	2,796,568	**2,367,443**	2,345,733
Share of reserves, net of dividends received		**1,382,935**	1,178,695*	**–**	–
	(e)	**4,226,355**	3,975,263	**2,367,443**	2,345,733
Investment in a joint venture					
Unquoted shares in Malaysia		**10,918**	10,918	**–**	–
Share of reserves		**(10,918)**	(10,918)	**–**	–
	(f)	**–**	–	**–**	–
Total		**4,226,355**	3,975,263	**2,367,443**	2,345,733
Market value of investment in an associate					
Quoted shares in Malaysia		**2,391,338**	2,514,003	**2,391,338**	2,514,003

	Group 2023 RM'000	Group 2022 (Restated)* RM'000
Carrying amount analysed by business segments:		
Property	**585,339**	556,266
Financial Services & Investment Holding	**3,641,016**	3,418,997
	4,226,355	3,975,263

^^ negligible
* These figures have been restated and the details are disclosed in Note 6.1(vi).

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

As at 31 December 2023, the Group has a 10.24% equity interest as the second largest shareholder in RHB Bank Berhad ("RHB Bank"), an associate involved in commercial banking and finance-related business (further description shown in Note (g) below). The Group's interest in RHB Bank is accounted for using the equity method in the consolidated financial statements. Based on the contractual terms, the Group assessed the level of influence that the Company has on its associate, RHB Bank, and determined that the Group has significant influence even though the shareholding is below 20% because of the board representations in RHB Bank 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 board representations in the associates/joint venture and the effective proportion of ownership in interests of 30.00%, 27.40%, 41.74% and 50.00% respectively.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. These investments in associates and a joint venture are accounted for using the equity method. The financial statements of the associates and a joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Following the equity method, the investment in an associate or a joint venture is initially recognised at cost which is measured at the fair value of the consideration paid. After 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. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment which is not separately recognised in the statement of financial position and such embedded goodwill is not tested for impairment separately. The entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 'Impairment of Assets' as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Impairments and reversal of the impairments are presented within 'Share of results of associates and a joint venture' in the statement of profit or loss.

A dividend received as a return from an associate or a joint venture is recognised as a reduction in the carrying amount of the investment and correspondingly reflected as a cash inflow at the Company's level. Such dividend income is eliminated in the consolidated financial statements.

Notes to the Financial Statements
31 December 2023

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 (Cont'd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income of an associate or a joint venture is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any such changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of associates and a joint venture is disclosed on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

At the end of the year, the Group determines 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 it with its recoverable amount and then recognises any loss as a component of the share of results of an associate and a joint venture in the statement of profit or loss. Based on the impairment tests on the carrying amounts in investments in associates and a joint venture carried out by using the discounted cash flow projections, all the value-in-use derived from the discounted cash flow projections of the associates is more than the carrying amounts of such investments. The Group discontinued sharing further losses of the joint venture, Scotia Acres Sdn. Bhd., principally involved in property investment, as the losses previously shared exceeded the Group's interest (cost of investment) in the joint venture. After the Group's interest is reduced to zero, no additional losses are provided for nor any liability is recognised, as the Group has not incurred any legal or constructive obligations. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. As at 31 December 2023, the cumulative unrecognised share of losses of a joint venture, Scotia Acres Sdn. Bhd., stood at RM1.5 million.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirement on investment in associates and a joint venture are discussed in Note 6.3(b)(v).

When there is a loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

(b) Group's dealing with its associates

(i) For the year ended 31 December 2023

Increase of equity interests in RHB Bank via Dividend Reinvestment Plans ("DRP")

On 15 May 2023, RHB Bank issued and allotted 38,974,473 new RHB Bank shares at the issue price of RM4.74 per share which was applied to the second interim dividend in respect of the financial year ended 31 December 2022. The dividend entitlement based on shareholdings in RHB Bank was RM108.5 million and the Company had elected partly to receive the dividend in the form of RHB Bank shares through the DRP. As a result, the Company received 4,580,139 new RHB Bank shares and cash of RM86.8 million from RHB Bank.

Arising from the DRP above, the Company's equity interests in RHB Bank increased to 10.24% from 10.22%.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.4 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (CONT'D.)

(b) Group's dealing with its associates (Cont'd.)

(ii) For the year ended 31 December 2022

Increase of equity interests in RHB Bank via DRP

On 16 June 2022, RHB Bank issued and allotted 69,158,646 new RHB Bank shares at the issue price of RM5.17 per share which was applied to the final dividend in respect of the financial year ended 31 December 2021. The dividend entitlement based on shareholdings in RHB Bank was RM105.4 million and the Company had elected for the portion of DRP. As a result, the Company received 8,156,976 new RHB Bank shares and cash of RM63.3 million from RHB Bank.

On 7 November 2022, RHB Bank issued and allotted 35,296,474 new RHB Bank shares at the issue price of RM4.97 per share which was applied to the interim dividend in respect of the financial year ending 31 December 2022. The dividend entitlement based on shareholdings in RHB Bank was RM64.5 million and the Company had elected partly to receive the dividend in the form of RHB Bank shares through the DRP. As a result, the Company received 4,324,673 new RHB Bank shares and cash of RM43.0 million from RHB Bank.

Arising from the DRP above, the Company's equity interests in RHB Bank increased to 10.22% from 10.18%.

(c) Shares pledged as security

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(b)(i) and 3.18(c)(ii)]. As at 31 December 2023, the Group's and the Company's carrying amounts of such pledged shares are disclosed in Note 3.18(e).

(d) Dividend income

The Company recorded dividends from RHB Bank of RM174.4 million (2022: RM169.9 million).

There were no restrictions on the ability of associates and a joint venture to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the Group.

Notes to the Financial Statements

31 December 2023

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

There were no contingent liabilities relating to the interests in the associate.

Reconciliation of net assets to the carrying amounts of investments in associates is as follows:

	RHB Bank RM'000	YPC RM'000	Agile RM'000	EPIC RM'000	Total RM'000
2023					
Proportion of ownership interests in associates	**10.24%**	**41.74%** #	**30.00%** #	**27.40%** #	
Share of net assets	**3,403,417**	**430,787**	**603**	**106,920**	**3,941,727**
Goodwill	**237,599**	**69,378**	**–**	**–**	**306,977**
Effect of indirect interests in an associate	**–**	**–**	**–**	**(22,349)**	**(22,349)**
Carrying amounts	**3,641,016**	**500,165**	**603**	**84,571**	**4,226,355**
2022 (Restated)*					
Proportion of ownership interests in associates	10.22%	41.74% #	30.00% #	27.40% #	
Share of net assets	3,179,814*	411,480	3,828	93,929	3,689,051
Goodwill	239,183	69,378	–	–	308,561
Effect of indirect interests in an associate	–	–	–	(22,349)	(22,349)
Carrying amounts	3,418,997	480,858	3,828	71,580	3,975,263

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 97.31% (2022: 97.31%) owned subsidiary of the Company. The effective proportion of ownership interest of the associates and a joint venture are disclosed in Note (g) hereinafter.

* These figures have been restated and the details are disclosed in Note 6.1(vi).

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:

	RHB Bank RM'000	YPC RM'000	Agile RM'000	EPIC RM'000
2023				
Aggregated assets and liabilities of the associates (100%)				
Current assets	–^	459,027	28,163	145,083
Non-current assets	–^	771,518	3,377	275,437
Total assets	331,063,645	1,230,545	31,540	420,520
Current liabilities	–^	(141,860)	(29,530)	(1,803)
Non-current liabilities	–^	(25,829)	–	(28,486)
Total liabilities	(297,781,047)	(167,689)	(29,530)	(30,289)
Net assets	33,282,598	1,062,856	2,010	390,231
Net assets attributable to:				
- owners of the associates	33,246,101	1,062,856	2,010	390,231
- non-controlling interests of the associates	36,497	–	–	–
	33,282,598	1,062,856	2,010	390,231
Aggregated results (100%)				
Revenue	7,770,425	128,274	–	16,149
Profit/(Loss) for the year attributable to:				
- owners of the associates	2,806,228	(4,996)	26,250	34,347
- non-controlling interests of the associates	4,271	–	–	–
	2,810,499	(4,996)	26,250	34,347
Other comprehensive income attributable to:				
- owners of the associates	843,254	51,247	–	13,068
- non-controlling interests of the associates	110	–	–	–
	843,364	51,247	–	13,068
Total comprehensive income	3,653,863	46,251	26,250	47,415
Net assets attributable to the owners of the associates				
At the beginning of the year	31,103,916	1,016,605	12,760	342,816
Profit/(Loss) for the year	2,806,228	(4,996)	26,250	34,347
Other comprehensive income	843,254	51,247	–	13,068
Dividend paid and DRP	(1,507,297)	–	(37,000)	–
At the end of the year	33,246,101	1,062,856	2,010	390,231

Notes to the Financial Statements

31 December 2023

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.)

	RHB Bank (Restated) RM'000	YPC RM'000	Agile RM'000	EPIC RM'000
2022				
Aggregated assets and liabilities of the associates (100%)				
Current assets	–^	436,464	73,139	44,045
Non-current assets	–^	790,616	3,386	320,670
Total assets	313,123,606	1,227,080	76,525	364,715
Current liabilities	–^	(206,841)	(63,765)	(1,631)
Non-current liabilities	–^	(3,634)	–	(20,268)
Total liabilities	(281,987,575)	(210,475)	(63,765)	(21,899)
Net assets	31,136,031	1,016,605	12,760	342,816
Net assets attributable to:				
- owners of the associates	31,103,916	1,016,605	12,760	342,816
- non-controlling interests of the associates	32,115	–	–	–
	31,136,031	1,016,605	12,760	342,816
Aggregated results (100%)				
Revenue	8,160,183	233,530	–	4,805
Profit for the year attributable to:				
- owners of the associates	2,588,686	14,549	37,541	192
- non-controlling interests of the associates	2,693	–	–	–
	2,591,379	14,549	37,541	192
Other comprehensive expenses attributable to:				
- owners of the associates	(860,692)	(13,784)	–	(3,309)
- non-controlling interests of the associates	(44)	–	–	–
	(860,736)	(13,784)	–	(3,309)
Total comprehensive income/(expense)	1,730,643	765	37,541	(3,117)
Net assets attributable to the owners of the associates				
At the beginning of the year	30,506,153	1,015,840	75,219	345,933
Profit for the year	2,588,686	14,549	37,541	192
Other comprehensive expenses	(860,692)	(13,784)	–	(3,309)
Dividend paid and DRP	(1,130,231)	–	(100,000)	–
At the end of the year	31,103,916	1,016,605	12,760	342,816

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 RHB Bank 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:

	2023	2022
Proportion of ownership interest in a joint venture (%)	**50.00**	50.00
Share of net assets/Carrying amount (RM'000)	**–****	–**

Summarised financial information of the joint venture is as follows:

	2023 RM'000	2022 RM'000
Aggregated assets and liabilities of the joint venture (100%)		
Current assets	**770**	1,196
Non-current assets	**69,377**	75,231
Total assets	**70,147**	76,427
Current liabilities	**(24,346)**	(20,610)
Non-current liabilities	**(48,706)**	(56,522)
Total liabilities	**(73,052)**	(77,132)
Net liabilities	**(2,905)**	(705)
Aggregated results (100%)		
Revenue	**14,626**	13,908
Loss for the year/Other comprehensive expenses attributable to:		
- owners of the joint venture	**(2,200)**	(2,208)
- non-controlling interests of the joint venture	**–**	–
	(2,200)	(2,208)
Total comprehensive expenses	**(2,200)**	(2,208)
Net assets attributable to the owners of the joint venture		
At the beginning of the year	**(705)**	1,503
Loss for the year	**(2,200)**	(2,208)
At the end of the year	**(2,905)**	(705)

** During the previous year, the Group had ceased sharing losses of SA pursuant to MFRS 128 'Investments in Associates and Joint Ventures' where the share of losses exceeds its interest in the joint venture.

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.

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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.)

(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 incorporation	Effective proportion of ownership interest 2023 %	2022 %
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	**10.24 (b)(i)**	10.22 (b)(ii)
Associates of PJDH			
Agile PJD Development Sdn. Bhd.	Property development and investment	**29.19@**	29.19
Equity & Property Investment Corporation Pty. Limited	Property investment and development - Australia	**26.66@**	26.66
## Yarra Park City Pty. Ltd.	Property development and investment - Australia	**40.62@**	40.62
Joint venture of PJDH			
Scotia Acres Sdn. Bhd.	Property development and investment	**48.65@**	48.65
Subsidiary of Scotia Acres Sdn. Bhd.			
Canggih Pesaka Sdn. Bhd.	Property investment	**48.65@**	48.65

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 interest in PJDH is at 97.31% (2022: 97.31%). PJDH holds 30.00% equity interest in Agile, 27.40% equity interest in EPIC, 41.74% equity interest in YPC and 50.00% equity interest in SA. Therefore, the Group's effective equity interest in Agile, EPIC, YPC and SA are 29.19% (2022: 29.19%), 26.66% (2022: 26.66%), 40.62% (2022: 40.62%) and 48.65% (2022: 48.65%) respectively.

The financial statements of the associates and a joint venture used in applying the equity method are prepared as of 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 are classified as intangible assets.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Software licences	(b)	**3,636**	1,993	**23**	49
Club membership		**350**	350	**–**	–
Trademarks		**160**	160	**160**	160
		4,146	2,503	**183**	209

	2023 RM'000	2022 RM'000
Carrying amount analysed by business segments:		
Property	**58**	80
Financial Services & Investment Holding	**4,088**	2,423
	4,146	2,503

(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 memberships and trademarks) acquired separately are measured on initial recognition at cost, being the fair value of the 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 based on the costs incurred to acquire and bring to use the specific software. Maintenance costs of software licences are amortised on a straight-line basis over their estimated useful life of 6 to 10 years. 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. The estimated useful life represents the common life expectancy applied in the industry within which the Group and the Company operates in. Residual value, useful life and amortisation for an intangible asset with a finite useful life are reviewed at least annually to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of 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.

Notes to the Financial Statements

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.5 INTANGIBLE ASSETS (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on intangible assets are discussed in Notes 6.3(b)(iv) and 6.3(b)(v).

(b) Software licence

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cost					
At the beginning of the year		**5,177**	4,827	**197**	197
Additions	1.3(a),(b)	**2,149**	353	**–**	–
Exchange differences		**29**	(3)	**–**	–
At the end of the year		**7,355**	5,177	**197**	197
Accumulated amortisation					
At the beginning of the year		**3,184**	2,758	**148**	120
Amortisation		**525**	428	**26**	28
Exchange differences		**10**	(2)	**–**	–
At the end of the year		**3,719**	3,184	**174**	148
Net carrying amount		**3,636**	1,993	**23**	49
Recognised in profit or loss and classified under:					
Amortisation of software licences:					
- Administrative expenses	2.4	**525**	428	**26**	28

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.6 RIGHT-OF-USE ASSETS/(LEASE LIABILITIES)

This note provides information about leases where the Group and the Company are a lessee and these lease contracts include space for a sales gallery, offices, factory etc. based on business requirements. Lease contracts are typically made for fixed periods. The leases where the Group is a lessor are disclosed under lease receivables and operating lease commitments in Notes 3.10 and 5.1(a) respectively.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Right-of-use assets					
Non-current					
Leasehold land	(b)(i)	**50,512**	48,057	**–**	–
Lease of premises and office space	(b)(ii)	**698**	2,157	**4,390**	1,107
Lease of equipment	(b)(iii)	**–**	–	**–**	–
		51,210	50,214	**4,390**	1,107
Lease liabilities					
Non-current		**(131)**	(398)	**(2,721)**	(225)
Current		**(588)**	(1,862)	**(1,722)**	(919)
	(c), 1.4, 1.8(b)(ii), 3.18(g)(ii)	**(719)**	(2,260)	**(4,443)**	(1,144)

Carrying amount analysed by business segments:	Group 2023 RM'000	Group 2022 RM'000
Right-of-use assets		
Property	**1,740**	2,868
Construction	**1,079**	1,092
Industries	**4,584**	4,915
Hospitality	**6,497**	4,969
Financial Services & Investment Holding	**37,310**	36,370
	51,210	50,214
Lease liabilities		
Property	**(257)**	(1,396)
Industries	**(296)**	(553)
Financial Services & Investment Holding	**(166)**	(311)
	(719)	(2,260)

Notes to the Financial Statements

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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 assets 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 and the Company.

Lease contracts contain both lease and non-lease components. The consideration is allocated 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 or the Company has elected the practical expedient provided in MFRS 16 'Leases' not to separate lease and non-lease components and instead account 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, it is required to considers 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 be terminated). The lease terms are being assessed upon the occurrence of a significant event or change in circumstances that are within the control of the Group or the Company and affect whether the Group or the Company is 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 the lease term results in the remeasurement of the lease liabilities.

The Group or the Company adopts 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 a 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 future economic benefits will flow to the Group or 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.

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 impairment assessment, the recoverable amount of the right-of-use assets is determined based on a "value-in-use" of CGU.

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.)

The value-in-use of the CGU is determined by discounting the cash flow projections for the remaining useful life of the right-of-use assets. Significant judgement is used in making these estimates on future results and key assumptions applied to cash flow projections of the CGU. The 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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on right-of-use assets are discussed in Notes 6.3(b)(iv) and 6.3(b)(v).

As at 31 December 2023, 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 requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

(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 the lease contract arises. Lease liabilities are initially measured at fair value representing 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 following, 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 costs. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liabilities are presented 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.

Notes to the Financial Statements

31 December 2023

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

(i) Leasehold land

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Cost			
At the beginning of the year		**59,504**	59,504
Additions		**1,592**	–
Reclassified from inventories	3.7(b)(i)	**1,310**	–
At the end of the year		**62,406**	59,504
Accumulated depreciation			
At the beginning of the year		**11,447**	11,002
Charge for the year		**447**	445
At the end of the year		**11,894**	11,447
Net carrying amount		**50,512**	48,057

During the year, the Group purchased new leasehold land for RM1.6 million measuring approximately 7.0 acres for oil palm plantation purpose; and few pieces of leasehold land measuring approximately 40.6 acres costing RM1.3 million have been transferred from the land held for property development due to a change in use of the land to a coconut plantation.

Leasehold land with a total carrying amount of RM0.4 million (2022: RM0.4 million) is pledged as security [Note 3.18(e)] for borrowings granted to a subsidiary.

(ii) Lease of premises and office space

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cost				
At the beginning of the year	**16,685**	43,672	**4,634**	4,634
Additions	**447**	2,385	**5,041**	–
Reassessments and modifications of leases	**(15,225)**	(29,372)	**(4,252)**	–
Exchange differences	**32**	–	**–**	–
At the end of the year	**1,939**	16,685	**5,423**	4,634
Accumulated depreciation				
At the beginning of the year	**14,528**	29,939	**3,527**	1,770
Charge for the year	**1,915**	13,868	**1,758**	1,757
Reassessments and modifications of leases	**(15,225)**	(29,272)	**(4,252)**	–
Exchange differences	**23**	(7)	**–**	–
At the end of the year	**1,241**	14,528	**1,033**	3,527
Net carrying amount	**698**	2,157	**4,390**	1,107

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.)

(iii) Lease of equipment

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cost					
At the beginning of the year		–	33	–	–
Reclassified to property, plant and equipment	3.1(b)(i)	–	(33)	–	–
At the end of the year		–	–	–	–
Accumulated depreciation					
At the beginning of the year		–	10	–	–
Reclassified to property, plant and equipment	3.1(b)(i)	–	(10)	–	–
At the end of the year		–	–	–	–
Net carrying amount		–	–	–	–
Recognised in profit or loss and classified under:					
Depreciation of right-of-use assets					
- Cost of sales	2.2(b)	**483**	371	–	–
- Administrative expenses	2.4	**1,879**	13,942	**1,758**	1,757
		2,362	14,313	**1,758**	1,757

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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

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At the beginning of the year		**2,260**	14,512	**1,144**	2,914
Additions		**447**	2,385	**5,041**	–
Interest charged	2.6	**49**	545	**122**	78
Reassessments and modifications of leases		**–**	(100)	**–**	–
Payment of:					
- principal		**(1,999)**	(14,543)	**(1,742)**	(1,770)
- interest		**(49)**	(545)	**(122)**	(78)
	3.18(g)(ii)	**(2,048)**	(15,088)	**(1,864)**	(1,848)
Exchange differences		**11**	6	**–**	–
At the end of the year	3.18(g)(ii)	**719**	2,260	**4,443**	1,144
Recognised in profit or loss and classified under:					
Interest expense on lease liabilities					
- Finance costs	2.6	**49**	545	**122**	78

(d) Other information

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
(i) Recognised in profit or loss and classified under:					
Rental expenses for lease of low-value assets					
- Administrative expenses	2.4	**73**	51	**–**	–
Rental expenses for short-term leases					
- Administrative expenses	2.4	**895**	996	**–**	–

(ii) The 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 of the Company ranging from 2.85% to 4.77% (2022: 2.85% to 4.94%) and 3.60% to 4.25% (2022: 3.60% to 3.78%) respectively.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.7 INVENTORIES

This note provides information about the inventories held by the Group which consist of land bank, stocks for on-going and completed projects under the Property Development Division, manufacturing stocks under the Industries Segment (Olympic Cables and Acotec-IBS), and consumables under the Hospitality Segment.

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Non-current			
Land held for property development	(b)(i)	**1,491,861**	1,471,510
Current			
Property development expenditure	(b)(ii)	**283,249**	264,348
Completed properties held for sale	(b)(iii)	**8,314**	9,611
Manufacturing stocks	(b)(iv)	**55,346**	67,604
Hotels and resorts consumables	(b)(v)	**773**	580
Total current		**347,682**	342,143
Total		**1,839,543**	1,813,653
Carrying amount analysed by business segments:			
Property		**1,783,424**	1,745,469
Industries		**55,346**	67,604
Hospitality		**773**	580
		1,839,543	1,813,653

(a) Recognition, measurement and significant judgement

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is recognised in the statement of financial position when expenditure is incurred and is measured at the 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.

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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 expenditures 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, as disclosed in Notes 2.1(a)(i)(1) and 2.2(a)(i) respectively, are recognised in the statement of profit or loss by reference to the progress towards complete satisfaction of that performance obligation at the reporting period, generally known as the percentage of completion method. 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 profitability in future periods. In making the above judgement, it relies on experience and the 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 certificates of completion and compliance. It is measured at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to 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 are 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 using weighted average cost basis and are 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 the estimated costs necessary to make the sale. Estimates of net realisable value will be based on the most reliable evidence available of the amount which the inventories are expected to realise.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on inventories are discussed in Note 6.3(b)(ii).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.7 INVENTORIES (CONT'D.)

(b) Other information

	Note	Group 2023 RM'000	Group 2022 RM'000
(i) Land held for property development			
Freehold and leasehold land			
At the beginning of the year		**1,182,602**	1,259,120
Costs incurred		**23,356**	3,652
Purchase of lands		**32,818**	19,893
Reclassified to:			
- investment properties	3.2(c)(i)	**(51)**	–
- property development expenditure	(b)(ii)	**(93,978)**	(100,063)
- property, plant and equipment	3.1(b)(i)	**(2,081)**	–
- right-of-use assets	3.6(b)(i)	**(1,310)**	–
At the end of the year		**1,141,356**	1,182,602
Development expenditure			
At the beginning of the year		**288,908**	255,581
Costs incurred		**133,582**	89,992
Reclassified to:			
- investment properties	3.2(c)(i)	**(434)**	–
- property development expenditure	(b)(ii)	**(71,551)**	(56,665)
At the end of the year		**350,505**	288,908
Total non-current		**1,491,861**	1,471,510

As disclosed in Note 2.6, interest of RM33.5 million (2022: RM27.7 million) was capitalised during the year which was calculated based on interest rates ranging from 2.47% to 5.03% (2022: 1.55% to 4.59%).

The following carrying amounts of land held for property development are pledged as security to secure credit facilities as disclosed in Note 3.18(e).

	Note	Group 2023 RM'000	Group 2022 RM'000
Tranche 3 of MTN 2	3.18(b)(ii)	**110,172**	92,867
Tranche 2 of Sukuk 1	3.18(b)(iii)	**185,176**	155,741
Tranche 4 of Sukuk 1	3.18(b)(iv)	**141,622**	133,829
Term loans		**224,437**	224,503
	3.18(e)	**661,407**	606,940

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.7 INVENTORIES (CONT'D.)

(b) Other information (Cont'd.)

	Note	Group 2023 RM'000	Group 2022 RM'000
(ii) Property development expenditure			
Freehold and leasehold land			
At the beginning of the year		**363,022**	293,072
Costs incurred		**726**	196
Reclassified from land held for property development	(b)(i)	**93,978**	100,063
Reclassified to completed properties held for sale		**(24)**	(26)
Reversal of development expenditure for completed projects		**(24,847)**	(30,283)
At the end of the year		**432,855**	363,022
Development expenditure			
At the beginning of the year		**380,056**	430,743
Costs incurred		**498,454**	398,732
Reclassified from land held for property development	(b)(i)	**71,551**	56,665
Reclassified to completed properties held for sale		**(978)**	(1,053)
Reversal of development expenditure for completed projects		**(341,001)**	(505,031)
At the end of the year		**608,082**	380,056
Total property development expenditure incurred		**1,040,937**	743,078
Costs recognised in profit or loss			
At the beginning of the year		**(478,730)**	(475,590)
Recognised in profit or loss	2.2	**(644,806)**	(538,454)
Reversal of costs arising from completed projects		**365,848**	535,314
At the end of the year		**(757,688)**	(478,730)
Net carrying amount of property development expenditure		**283,249**	264,348

As disclosed in Note 2.6, interest of RM5.3 million (2022: RM5.2 million) was capitalised during the year which was calculated based on interest rates ranging from 2.47% to 5.03% (2022: 1.55% to 4.59%).

Included in property development land is an amount of RM182.5 million (2022: RM171.0 million) are pledged as security to secure term loans as disclosed in Note 3.18(e).

Notes to the Financial Statements
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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	
		2023 RM'000	2022 RM'000
(iii)	**Completed properties held for sale**		
	At cost	**7,674**	8,971
	At net realisable value	**640**	640
		8,314	9,611
(iv)	**Manufacturing stocks**		
	At cost		
	- Consumables	**256**	1,536
	- Finished goods	**32,291**	25,186
	- Raw materials	**7,031**	14,694
	- Work-in-progress	**9,974**	16,442
		49,552	57,858
	At net realisable value		
	- Finished goods	**4,963**	7,516
	- Raw materials	**831**	629
	- Work-in-progress	**–**	1,601
		5,794	9,746
	Net carrying amount of manufacturing stocks	**55,346**	67,604
(v)	**Hotels and resorts consumables, at cost**	**773**	580

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.8 DEFERRED TAX ASSETS/(LIABILITIES)

This note provides information on the recognition of deferred tax assets and liabilities accounted.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets ("DTA")	(b)(i)	**108,661**	89,179	**904**	824
Deferred tax liabilities ("DTL")	(b)(ii)	**(71,243)**	(88,347)	**–**	–

Carrying amount analysed by business segments:

	Group			
	Deferred tax assets		Deferred tax liabilities	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property	**81,796**	64,602	**(51,520)**	(67,764)
Construction	**1,512**	1,055	**(34)**	(31)
Industries	**–**	–	**(6,991)**	(7,410)
Hospitality	**16,840**	19,626	**(5,946)**	(6,087)
Financial Services & Investment Holding	**8,513**	3,896	**(6,752)**	(7,055)
	108,661	89,179	**(71,243)**	(88,347)

(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 rates (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.

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 1.1.2022 RM'000	Deferred tax recognised in profit or loss for 2022 (Note 2.7) RM'000	As at 31.12.2022/ 1.1.2023 RM'000	Deferred tax recognised in profit or loss for 2023 (Note 2.7) RM'000	Exchange differences RM'000	As at 31.12.2023 RM'000
Group						
Excess of depreciation over capital allowances	453	(232)	221	703	15	939
Fair value on inventories	1,636	–	1,636	–	–	1,636
Interest capitalised in inventories	10,936	(599)	10,337	(2,153)	–	8,184
Unused tax losses and unabsorbed capital allowances	3,198	5,678	8,876	171	–	9,047
Deferred income	23,845	266	24,111	(268)	–	23,843
Provisions	34,515	16,738	51,253	25,056	(7)	76,302
Total deferred tax assets	74,583	21,851	96,434	23,509	8	119,951
Offset in DTL [Note b(ii)]	(5,015)	(2,240)	(7,255)	(4,035)	–	(11,290)
Net deferred tax assets	69,568	19,611	89,179	19,474	8	108,661
Company						
Provisions	850	63	913	64	–	977
Total deferred tax assets	850	63	913	64	–	977
Offset in DTL [Note b(ii)]	(102)	13	(89)	16	–	(73)
Net deferred tax assets	748	76	824	80	–	904

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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: (Cont'd.)

(ii) Deferred tax liabilities

	As at 1.1.2022 RM'000	Deferred tax recognised in profit or loss for 2022 (Note 2.7) RM'000	As at 31.12.2022/ 1.1.2023 RM'000	Deferred tax recognised in profit or loss for 2023 (Note 2.7) RM'000	As at 31.12.2023 RM'000
Group					
Excess of capital allowances over depreciation	(24,700)	(1,969)	**(26,669)**	**(3,059)**	**(29,728)**
Fair value on:					
- investment properties	(8,527)	(599)	**(9,126)**	**–**	**(9,126)**
- inventories	(64,651)	11,217	**(53,434)**	**16,128**	**(37,306)**
- share of net assets of the associates	(6,373)	–	**(6,373)**	**–**	**(6,373)**
Total deferred tax liabilities	(104,251)	8,649	**(95,602)**	**13,069**	**(82,533)**
Offset in DTA [Note b(i)]	5,015	2,240	**7,255**	**4,035**	**11,290**
Net deferred tax liabilities	(99,236)	10,889	**(88,347)**	**17,104**	**(71,243)**
Company					
Excess of capital allowances over depreciation	(102)	13	**(89)**	**16**	**(73)**
Total deferred tax liabilities	(102)	13	**(89)**	**16**	**(73)**
Offset in DTA [Note b(i)]	102	(13)	**89**	**(16)**	**73**
Net deferred tax liabilities	–	–	**–**	**–**	**–**

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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	
	2023 RM'000	**2022 RM'000**
Deductible temporary differences	**87,320**	93,798
Taxable temporary differences	**(198,447)**	(191,502)
Unused tax losses	**205,958**	197,568
Unutilised capital allowances	**332,042**	325,207
	426,873	425,071

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	
	2023 RM'000	**2022 RM'000**
Year of assessment 2028	**73,093**	75,411
Year of assessment 2029	**19,248**	19,248
Year of assessment 2030	**35,187**	35,565
Year of assessment 2031	**16,568**	16,863
Year of assessment 2032	**47,882**	50,481
Year of assessment 2033	**13,980**	–
	205,958	197,568

In Malaysia, 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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on income taxes are discussed in Note 6.3(b)(iii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.9 CAPITAL FINANCING

This note provides information about the outstanding balances of the capital financing portfolio and Islamic financing under the Financial Services Division and the related impairment assessment.

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Non-current			
Term financing		**212,390**	180,263
Islamic financing		**171,834**	61,917
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(358)**	(367)
Total non-current		**383,866**	241,813
Current			
Term financing		**1,290,163**	1,134,932
Islamic financing		**67,514**	21,979
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(164)**	(140)
- Individual assessment	(b)(i)	**(2,295)**	(1,768)
Total current		**1,355,218**	1,155,003
Total	1.8(b)(ii)	**1,739,084**	1,396,816

The carrying amount is classified under the Financial Services and Investment Holding Segment. The Group is in the business of providing capital financing. Revenue recognition from this portfolio is disclosed in Note 2.1(b).

Term financing which arose from the provision of conventional financing is governed under agreements (facility agreements, assignment agreements and the power of attorney where applicable) between the Group and its customers comprising corporations; individuals; and cooperatives.

Islamic financing arose from the provision of Shariah-compliant financing governed under a 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 schemes under a corporation (the agent) which involves in Murabahah Credit Sales Facility ("MCSF") business to provide financing to individuals (customers). Islamic term financing arose from the provision of Shariah-compliant financing under the Commodity Murabahah via Tawarruq, where a customer will request a subsidiary of the Company to purchase a commodity (a Shariah-compliant asset) at a purchase price from a commodity supplier (purchase transaction). The customer and the subsidiary entered into a Murabahah Sale Contract whereby this subsidiary will sell the commodity to the customer at a sale price on a deferred payment basis (sale transaction). The customer will pay the sale price to the subsidiary under the terms specified in the Murabahah Sale Contract. After the sale transaction, the customer will sell the commodity to a commodity broker at a purchase price on a spot basis and the subsidiary will transfer the sale proceeds from such sale (at the purchase price) to the customer.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.9 CAPITAL FINANCING (CONT'D.)

(a) Recognition, measurement and significant judgement

Term and Islamic financing are financial assets with fixed or determinable collections (repayment) by clients and are classified as amortised cost assets. Financing is recognised in the statement of financial position when disbursements are released to clients for generating income. Financing is recognised initially at their fair values equivalent to the financed amounts/ commodity transaction value plus any directly attributable transaction fees. Financing is 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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on capital financing are discussed in Note 6.3(b)(viii).

(i) Credit risk management practices

The 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, and 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.

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.

Financing is considered to have low credit risk at the end of the reporting period when the fair value of collateral held exceeds the outstanding amount, where applicable.

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 loans 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.

Financing is considered as non-performing when financing is unable to serve the interest/profit and/or repay principal/ instalment within the time granted or allowed. The 'general approach', as described in Note (a)(vii) below, has been adopted in providing the expected credit loss.

Financing is considered credit-impaired when one or more events have a detrimental impact on the recoverable amounts based on the future cash flows of the client that can be reliably estimated.

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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.)

(i) Credit risk management practices (Cont'd.)

Outstanding financing is written off from the books only when all avenues of recovery have been exhausted and there is no recoverable expectation of such a loan in the foreseeable future. For financing that is written off, the Group's internal legal unit will follow up on enforcement activities.

For determining that there is objective evidence of credit-impaired financing, the following inputs and assumptions are used for the lifetime expected credit losses and increase in credit risk significantly since initial recognition:

- Significant financial difficulty of the borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- Disappearance of an active market for and deterioration of collateral held; or
- Observable current and forward-looking data indicating that there is a measurable decrease in the estimated future cash flows from the borrower since initial recognition, including:

  (i) adverse changes in the payment status of the borrower; and
  (ii) national or local economic conditions that correlate with the borrower.

During the year, no significant modifications of contractual cash flows of capital financing have been applied.

Reviews are performed on the expected credit losses at each reporting period to assess the reasonableness of the assumptions concerning the risk of default and expected loss rates. For assessing impairment of financing, it has been based on historical behaviour including the past five years' monthly data of each financing from the end of the reporting date as an assumption for the possibility of default. In addition, observation of the current market conditions concerning each financing's exposure and related collateral risk exposure.

For incorporation of forward-looking information into the determination of expected credit losses, it uses general macroeconomics 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, observation is carried out on the industry-specific factors in determining expected credit loss such as information about the 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 the 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.9 CAPITAL FINANCING (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment

	Group			
	2023		2022	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**1,385,609**	**13,482**	931,038	50,134
Originate	**875,917**	**4,381**	897,122	–
Derecognise	**(527,192)**	**(10,296)**	(479,203)	–
Transfer	**(49,320)**	**49,320**	36,652	(36,652)
At the end of the year	**1,685,014**	**56,887**	1,385,609	13,482

No contractual amounts were written off during the year which are still subject to enforcement activities.

(iii) Credit risk exposure

Assessment of credit quality of a financing receivable is based on the following internal classified grades:

(1) "Grade A" refers to financing with collateral(s) value higher than the gross outstanding amount. The collateral obtained is sufficient to settle in whole the indebtedness of the customer in the event of default.

(2) "Grade B" refers to financing with collateral(s) value lower than the gross outstanding amount. The collateral obtained, if any, can be used to settle a part of the indebtedness of the customer in the event of default.

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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 (Cont'd.)

	Collective assessment		Individual assessment		
	Grade A RM'000	**Grade B RM'000**	**Grade A RM'000**	**Grade B RM'000**	**Total RM'000**
2023					
Gross carrying amount/ Maximum exposure	**1,439,213**	**245,801**	**54,592**	**2,295**	**1,741,901**
Collateral value held	**4,396,270**	**–**	**156,220**	**–**	**4,552,490**
Expected loss provision	**–**	**522**	**–**	**2,295**	**2,817**
Loan commitments undrawn	**156,402**	**–**	**–**	**–**	**156,402**
Expected loss rate	**0.0%**	**0.2%**	**0.0%**	**100.0%**	**0.2%**
2022					
Gross carrying amount/ Maximum exposure	1,300,721	84,888	8,569	4,913	1,399,091
Collateral value held	4,173,654	149	32,000	5,158	4,210,961
Expected loss provision	–	507	–	1,768	2,275
Loan commitments undrawn	291,287	–	–	–	291,287
Expected loss rate	0.0%	0.6%	0.0%	36.0%	0.2%

At the end of the year, the five largest financings accounted for RM270.0 million or 16% (2022: RM387.4 million or 28%) of the net capital financing portfolio, representing the Group's significant concentration of credit risks. These credit risks are mitigated by having collateral values above of the outstanding amounts due from these capital financings.

(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 was no forced selling of collateral during the year. The repossessed collateral is recognised as assets and is sold as soon as practicable. As at 31 December 2023, there are no unsold repossessed collaterals.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.9 CAPITAL FINANCING (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

(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' history, and 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

The 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. The gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. The effective interest/profit method is the method that is used in the calculation of the amortised cost of a financial asset and the allocation and recognition of the interest/profit income in the statement of profit or loss over the relevant period.

Therefore, the carrying amount of the financial asset is a reasonable approximation of its fair value.

The above amortised costs measurement is also adopted in trade receivables, other assets excluding prepayments and amounts due from subsidiaries, as disclosed in Notes 3.10(a), 3.11(a) and 3.15(a)(i) respectively.

(vii) Impairment assessment – 'General Approach' under MFRS 9

The 'general approach' under MFRS 9 uses 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 stages as quality changes and the stages dictate how to measure 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 the 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, both quantitative and qualitative information that is reasonable and supportable have been considered, 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 significant judgement is exercised 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 equal to lifetime expected credit losses are as follows:

		Group	
	Note	2023 RM'000	2022 RM'000
Collective assessment			
At the beginning of the year		**507**	444
Allowance made	2.5	**1,043**	420
Write back of allowance	2.3	**(1,028)**	(357)
At the end of the year		**522**	507
Individual assessment			
At the beginning of the year		**1,768**	944
Allowance made	2.5	**2,515**	838
Write back of allowance	2.3	**(1,393)**	–
Write off		**(606)**	–
Exchange differences		**11**	(14)
At the end of the year		**2,295**	1,768
Total collective and individual impairment losses		**2,817**	2,275

(ii) Ageing analysis of capital financing is as follows:

	Group	
	2023 RM'000	2022 RM'000
Current	**1,709,687**	1,392,786
Past due:		
1 to 30 days	**3,538**	–
31 to 90 days	**8,286**	121
More than 90 days	**17,573**	3,909
	1,739,084	1,396,816

(iii) The capital financing portfolio is charged a fixed interest rate at a weighted average interest rate of 10.12% (2022: 8.99%) per annum. The tenure of financing ranged from 2 to 120 months (2022: 2 to 120 months) from the date of financing.

(iv) The currency exposure profile of the capital financing is disclosed in Note 1.8(b)(ii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.10 TRADE RECEIVABLES

This note provides information about the outstanding balances of the trade receivables and the related impairment assessment.

		Group	
	Note	2023 RM'000	2022 RM'000
Non-current			
Property progress billings receivables		**11,795**	8,130
Membership fee receivables		**–**	7
Total non-current		**11,795**	8,137
Current			
Property progress billings receivables		**90,485**	131,802
Lease receivables		**9,272**	9,248
Construction billings receivables		**5**	289
Manufacturing receivables		**98,248**	80,460
Hotels receivables		**3,723**	2,551
Membership fee receivables		**2,176**	3,261
Other trade receivables		**11,923**	9,872
		215,832	237,483
Allowances for impairment losses:			
- Collective assessment	(b)(i)	**(3,564)**	(3,799)
- Individual assessment	(b)(i)	**(10,415)**	(10,630)
Total current		**201,853**	223,054
Total	1.8(b)(ii)	**213,648**	231,191
Carrying amount analysed by business segments:			
Property		**104,264**	140,831
Construction		**5**	289
Industries		**91,596**	74,467
Hospitality		**5,863**	5,732
Financial Services & Investment Holding		**11,920**	9,872
		213,648	231,191

(a) Recognition, measurement and significant judgement

The Group's business mainly involves developing and selling properties, leasing commercial space, manufacturing and selling cables and IBS wall panels, letting hotel rooms and managing hotels and holdings investment. The related revenue recognition is disclosed in Note 2.1.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.10 TRADE RECEIVABLES (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

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. They 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

Assessment is carried out to determine whether the 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 and latest customer financial standing and compares 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 is 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 clients' repayment behaviour is reviewed and compared it with the industry's normal credit period and supply chain cycle and determined that payments take longer than 30 days.

Receivable is considered as default when such a customer did not perform its obligation to make payment within the period granted.

The expected credit loss is recognised from the date of initial recognition of a receivable using a single-stage lifetime expected credit loss. This is the 'simplified approach' under MFRS 9. In this approach, no requirement to monitor changes in the credit risk of financial assets as described in the 'general approach' in Note 3.9(a)(vii). The simplified approach is mandatory for trade receivables or contract assets resulting from transactions that fall within the scope of MFRS 15 'Revenue from Contracts with Customers' and do not contain a significant financing component. This simplified approach may also apply to trade receivables or contract assets with a significant financing component under MFRS 15; and lease receivables accounted for under MFRS 16, when the accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses. Receivables are assessed individually for impairment loss at each reporting period end.

Assessment is carried out on expected credit losses on a collective basis of receivables, that 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 one or more events have a detrimental impact on the recoverable amounts based on the future cash flows of the receivable that can be reliably estimated. Receivable is written off 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 on 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.)

To determine that there is objective evidence of credit-impaired trade receivables, the following inputs and assumptions are being used to assess whether there has been 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.

Reviews are carried out on 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 the impairment of a receivable, the assumption of the possibility of default is adopted based on historical behaviour including the past five years' monthly data of each customer from the end of the reporting date. In addition, business units observe current market conditions concerning each customer's exposure and related collateral risk exposure.

For incorporating forward-looking information into the determination of expected credit losses, general macroeconomics is used 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, observation of the industry-specific factors is carried out 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 the 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.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on trade receivables are discussed in Note 6.3(b)(viii).

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment

	Group			
	2023		2022	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	**234,990**	**10,630**	240,431	10,390
Originate	**1,342,273**	**1,275**	1,094,123	1,251
Derecognise	**(1,360,051)**	**(1,490)**	(1,099,564)	(1,011)
At the end of the year	**217,212**	**10,415**	234,990	10,630

There were no modifications of contractual cash flows on trade receivables during the year.

No contractual amounts were 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.)

3.10 TRADE RECEIVABLES (CONT'D.)

(a) Recognition, measurement and significant judgement (Cont'd.)

(iii) Credit risk exposure

The Group assesses the credit quality of trade receivables using the 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
2023				
Current	**0.7**	**164,893**	**8,834**	**1,094**
Past due:				
1 to 30 days	**2.0**	**37,550**	**453**	**746**
31 to 60 days	**5.1**	**7,668**	**99**	**393**
61 to 90 days	**28.4**	**1,464**	**311**	**416**
More than 90 days	**70.6**	**16,052**	**1,792**	**11,330**
		227,627	**11,489**	**13,979**
2022				
Current	0.7	158,320	4,990	1,139
Past due:				
1 to 30 days	1.8	31,921	216	570
31 to 60 days	3.3	10,145	32	336
61 to 90 days	5.1	6,468	101	328
More than 90 days	31.1	38,766	1,978	12,056
		245,620	7,317	14,429

(iv) Significant estimates and judgements

Impairment allowances for trade receivables are based on assumptions about the risk of default and expected credit loss rates. Significant judgement is used 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 the end of the reporting period.

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:

	Note	Group 2023 RM'000	Group 2022 RM'000
Collective assessment			
At the beginning of the year		**3,799**	4,596
Allowance made	2.5	**254**	922
Write back of allowance	2.3	**(489)**	(1,719)
At the end of the year		**3,564**	3,799
Individual assessment			
At the beginning of the year		**10,630**	10,390
Allowance made	2.5	**1,275**	1,251
Write back of allowance	2.3	**(1,490)**	(1,011)
At the end of the year		**10,415**	10,630
Total collective and individual impairment losses		**13,979**	14,429

There was no significant concentration of credit risks at the end of the year.

(ii) Trade receivables are non-interest bearing unless overdue and generally on terms of 7 to 90 days (2022: 7 to 90 days).

(iii) The currency exposure profile of the trade receivables is disclosed in Note 1.8(b)(ii).

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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.

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Deposits	1.8(b)(ii)	**1,790**	1,758	**–**	–
Current					
Other receivables		**20,239**	10,037	**176**	68
Deposits		**23,171**	27,323	**417**	412
Allowance for impairment	(b)(i)	**(3,003)**	(2,889)	**–**	–
	1.8(b)(ii)	**40,407**	34,471	**593**	480
Prepayments		**7,278**	8,333	**164**	154
Total current		**47,685**	42,804	**757**	634
Total		**49,475**	44,562	**757**	634
Carrying amount analysed by business segments:					
Property		**24,161**	28,214		
Construction		**839**	937		
Industries		**15,404**	6,211		
Hospitality		**2,610**	2,476		
Financial Services & Investment Holding		**6,461**	6,724		
		49,475	44,562		

(a) Recognition, measurement and significant judgement

Other assets excluding prepayments are financial assets with fixed or determinable payments and are classified as amortised cost assets. Other assets are recognised in the statement of financial position when goods and/or services are provided to the Group. 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 'general approach' under MFRS 9 as described in Note 3.9(a)(vii) is adopted to provide for the expected credit loss of the above receivables.

The Group assesses whether the 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 compares 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 is reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.11 OTHER ASSETS (CONT'D.)

(b) Other information

(i) Movement of allowance for impairment losses:

		Group	
	Note	2023 RM'000	2022 RM'000
Individual assessment			
At the beginning of the year		**2,889**	5,337
Allowance made	2.5	**195**	294
Write back of allowance	2.3	**(81)**	(156)
Write off of allowance		**–**	(2,586)
At the end of the year		**3,003**	2,889

(ii) Other receivables were non-interest bearing and normally settled on 30 to 90 days (2022: 30 to 90 days).

(iii) The currency exposure profile of the other assets excluding prepayments is disclosed in Note 1.8(b)(ii).

3.12 DERIVATIVE ASSET

This note describes the derivative transactions.

	Group	
	2023 RM'000	2022 RM'000
Contract/Notional amount		
Cross-currency interest rate swap ("CCIRS")	–	147,024
Derivative asset		
At fair value		
Cross-currency interest rate swap	–	10,570
Carrying amount analysed by maturity:		
Within 1 year	–	10,570

The carrying amount is classified under the Financial Services and Investment Holding Segment.

The Group had entered into a derivative financial instrument (CCIRS) with a financial institution (counterparty) and such CCIRS has been designated as a 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 loan denominated in United States Dollar ("USD") as disclosed in Note 3.18(f)(viii) and floating monthly interest payments on borrowing. Both the CCIRS and term loan mature on 30 January 2023.

Notes to the Financial Statements
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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.12 DERIVATIVE ASSET (CONT'D.)

On 30 January 2023, the hedging instrument expired and the hedged transaction is no longer expected to occur. Hence, the hedge has been expired. The total fair value changes of the hedging instrument of RM89,000 which were previously recognised in other comprehensive income are reclassified to statement of profit or loss [Note 3.24(c)].

Derivative is initially recognised at fair value on the date the derivative contract is entered into. Pursuant to the inception of the 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 accounted for in the statement of comprehensive income will be reversed to the statement of profit or loss accordingly.

(a) Recognition and measurement

A derivative asset in relation to a cash flow hedge is a financial instrument initially recognised at fair value on the date the derivative contract is entered into. Pursuant to the 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 a highly probable forecast transaction and could affect the profit or loss. If the hedged item is a non-financial asset, 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. However, loss recognised in the statement of comprehensive income that will not be recovered in one or more future periods 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 was categorised within Level 2 of the fair value hierarchy, according to MFRS 13, 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.

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 before recognition as trade receivables.

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Contract assets arising from the excess of revenue recognised over progress billings to property purchasers	(b)(i)	**337,845**	276,409

The carrying amount is classified under the Property Segment.

Contract assets relate to revenue earned but yet to be billed on the ongoing development projects.

(a) Recognition, measurement and significant judgement

A contract asset is a right to consideration, the fair values at initial recognition, in exchange for goods or services that the Group has transferred to a customer before the customer pays consideration or before payment is due.

Contract assets (accrued billings to be billed to purchasers) are recognised in the statement of financial position as an excess of cumulative revenue recognised over the progress billings to purchasers. Revenue is measured at the transaction price based on a contract with a purchaser/customer.

Contract assets will be reclassified to trade receivables when the rights to economic benefits become unconditional. This usually occurs when billings are issued to the purchaser/customer. For determining the transaction price of the contract, the Group assumed that the goods or services would be transferred to the purchaser/customer as promised following the existing contract and that the contract would not be amended, renewed or modified.

Contract assets are subject to impairment assessment under MFRS 9. The expected credit loss is recognised from the date of initial recognition of a contract asset using a single-stage lifetime expected credit loss, the 'simplified approach' as described under Note 3.10(a)(i). No expected credit loss is recognised arising from contract assets as it was negligible.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on contract assets are discussed in Note 6.3(b)(viii).

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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 respect of property development activities:

	Note	Group 2023 RM'000	Group 2022 RM'000
At the beginning of the year		**274,348**	172,681
Net progress revenue recognised in profit or loss	2.1	**812,425**	726,523
Sale of completed properties recognised in profit or loss		**9,273**	8,144
Progress billings issued		**(760,812)**	(633,000)
At the end of the year		**335,234**	274,348
Carrying amount at the end of the year are analysed as follows:			
- Contract assets		**337,845**	276,409
- Contract liabilities	3.21	**(2,611)**	(2,061)
		335,234	274,348
The amounts included in contract liabilities at the beginning of the financial year has been recognised as revenue are as follows:			
Contract liabilities recognised as revenue		**269**	12,762

(ii) Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the property development contracts that are fully or partially to be fulfilled (unsatisfied) and expected to be recognised as revenue in the future are as follows:

	Group 2023		Group 2022	
	RM'000	%	RM'000	%
Within 1 year	**476,379**	**77%**	641,843	72%
1 to 4 years	**139,780**	**23%**	255,586	28%
	616,159		897,429	

Contract assets and liabilities under property development activities contracts 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 2023 RM'000	Group 2022 RM'000
Unharvested oil palm fresh fruit bunches ("FFB"), at fair value	(d)	**444**	519

The carrying amount is classified under the Financial Services and Investment Holding Segment which includes other insignificant business divisions.

(a) Recognition, measurement and significant judgement

Biological assets comprise oil palm FFB before harvesting. Biological assets are recognised in the statement of financial position and measured at their fair values. For the valuation of biological assets, where the present value of the net cash flows is 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, according to MFRS 13, as disclosed in Note 3.2(b)(ii).

The unharvested oil palm FFB measured at Level 3 uses the following significant unobservable inputs in the valuation model:

Valuation technique	Significant unobservable inputs	Group 2023	Group 2022
Income Capitalisation	Estimated selling price per tonne (RM)	**764**	819

During the year, there were no transfers between all three levels of the fair values hierarchy for the biological assets.

(c) Climate-related risks

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on biological assets are discussed in Notes 6.3(b)(ix) and 6.3(b)(xi). Despite that, the oil palm plantations are exposed to the risk of damage from extreme weather including floods, storms, high winds and drought. Periods of flooding may increase the risk of oil palm yielding. In addition, extreme weather may also increase the cost of operations. Processes via proactive management and early detection are in place to monitor and mitigate these risks.

(d) Other information

The movement of the unharvested oil palm FFB is as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
At the beginning of the year		**519**	524
Loss on fair value	2.5	**(75)**	(5)
At the end of the year		**444**	519

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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	
	2023 RM'000	**2022 RM'000**
Amounts due from subsidiaries	**126**	90
Amounts due to subsidiaries	**(352,062)**	(479,699)

(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 are classified as amortised cost assets. Amounts due from subsidiaries are recognised in the statement of financial position when the amount is advanced to the 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 are 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 the fair value of the advances received. After 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/(to) subsidiaries are denominated in RM, unsecured and bear an interest rate ranging from 3.65% to 4.84% (2022: 3.11% to 4.79%) per annum. At the end of the year, such amounts including interest 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	
	2023 RM'000	**2022 RM'000**
Quoted shares in Malaysia	**248**	239

The carrying amount is classified under the 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 the contract is settled and initially measured at fair value based on the price transacted on the contracts. Subsequent to the initial recognition, such securities are measured at their fair values based on the last bid price in the active market. Gains or losses on the 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 the unadjusted active market price of the identified assets, according to MFRS 13 'Fair Value Measurement', as disclosed in Note 3.2(b)(ii).

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on securities at fair value through profit or loss are discussed in Note 6.3(b)(ix).

3.17 CASH, BANK BALANCES AND SHORT-TERM FUNDS

This note outlines the liquidity position.

Cash, bank balances and short-term funds comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of one year or less, that are held to meet short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		**66,451**	56,163	**414**	310
Deposits with licensed financial institutions		**219,977**	121,578	**1**	–
Short-term funds		**214,022**	405,057	**21,465**	28,040
		500,450	582,798	**21,880**	28,350
Housing development accounts		**243,129**	129,855	**–**	–
	1.4,1.8(b)(ii)	**743,579**	712,653	**21,880**	28,350
Carrying amount analysed by business segments:					
Property		**485,542**	358,972		
Construction		**32,838**	29,379		
Industries		**23,006**	16,790		
Hospitality		**17,738**	24,966		
Financial Services & Investment Holding		**184,455**	282,546		
		743,579	712,653		

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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 the 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, if any. Statements of cash flows are prepared using an 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 under 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 1.35% to 2.50% (2022: 0.45% to 1.45%) per annum.

(ii) bank balances under current accounts ranging from 0.75% to 2.90% (2022: 0.50% to 2.25%) per annum.

(d) Fair value measurement

The fair value measurement of the short-term funds is categorised within Level 1 of the fair value hierarchy, using the unadjusted active market price of the identified assets, according to MFRS 13 'Fair Value Measurement', as disclosed in Note 3.2(b)(ii).

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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(e).

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Medium-term notes and Sukuk					
Cash and bank balances		**954**	1,112	**62**	56
Deposits with licensed financial institutions		**2,599**	2,011	**–**	–
Short-term funds		**1,310**	1,263	**–**	–
		4,863	4,386	**62**	56
Term loans					
Deposits with licensed financial institutions		**42,597**	42,957	**–**	–
Short-term funds		**–**	93,165	**–**	–
	3.18(e)	**47,460**	140,508	**62**	56

(f) Other information

As at 31 December 2023, the Group had available RM735.8 million (2022: RM399.6 million) of undrawn committed borrowing facilities that may be available for future operating activities and to settle capital commitments. As at 31 December 2023, the deposits with licensed financial institutions will mature within 365 days (2022: 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. Fund distribution income is calculated daily and distributed 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.

The currency exposure profile of the cash, bank balances and short-term funds is disclosed in Note 1.8(b)(ii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS

This note outlines details of the borrowings utilised to fund the business operations and corporate requirements.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Secured					
Medium-term notes ("MTNs") and Sukuk		**1,959,144**	1,641,706	**–**	–
Term loans		**58,430**	59,047	**–**	–
		2,017,574	1,700,753	**–**	–
Unamortised issuance expenses		**(567)**	(721)	**–**	–
Total non-current		**2,017,007**	1,700,032	**–**	–
Current					
Secured					
Bankers' acceptances		**12,690**	9,700	**–**	–
MTNs and Sukuk		**151,971**	53,500	**–**	–
Revolving credits		**200,820**	197,668	**–**	–
Term loans		**5,713**	148,281	**–**	–
		371,194	409,149	**–**	–
Unamortised issuance expenses		**(726)**	(752)	**–**	–
		370,468	408,397	**–**	–
Unsecured					
Revolving credits		**872,503**	916,280	**40,000**	40,000
		872,503	916,280	**40,000**	40,000
Total current		**1,242,971**	1,324,677	**40,000**	40,000
Total	1.4, 1.8(b)(ii)	**3,259,978**	3,024,709	**40,000**	40,000
Total borrowings					
Bankers' acceptances		**12,690**	9,700	**–**	–
MTNs and Sukuk		**2,110,393**	1,694,320	**–**	–
Revolving credits		**1,072,752**	1,113,361	**40,000**	40,000
Term loans		**64,143**	207,328	**–**	–
		3,259,978	3,024,709	**40,000**	40,000

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

The carrying amount analysed by maturity:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
On demand or within 1 year	**1,242,971**	1,324,677	**40,000**	40,000
More than 1 year but less than 2 years	**182,288**	177,541	**–**	–
More than 2 years but less than 5 years	**965,108**	589,322	**–**	–
More than 5 years	**869,611**	933,169	**–**	–
	3,259,978	3,024,709	**40,000**	40,000
Carrying amount analysed by business segments:				
Property	**1,380,969**	1,272,441		
Industries	**28,422**	17,444		
Hospitality	**77,978**	63,102		
Financial Services & Investment Holding	**1,772,609**	1,671,722		
	3,259,978	3,024,709		

(a) Recognition and measurement

(i) Borrowings

Borrowings including MTNs and Sukuk (Islamic debt instrument) 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.

Notes to the Financial Statements

31 December 2023

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

The 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 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. The 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, the carrying amount of the financial liability is a reasonable approximation of its fair value.

The amortised costs measurement is also adopted in lease liabilities, amounts due to subsidiaries, trade payables and other liabilities excluding provisions as disclosed in Notes 3.6(a)(ii), 3.15(a)(ii), 3.19(a) and 3.20(a) respectively.

(b) 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 treasury management subsidiary of the Company, lodged a Sukuk 1 with Securities Commission Malaysia ("SC"). On 20 April 2018, OSKICM lodged MTN 2 and re-lodged the Sukuk 1 with SC all the required information and relevant documents according to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. Both programmes 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 utilise 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 a minimum of RM30,000 each in respect of Sukuk 1 and MTN 2 as disclosed in Note (f)(i) which shall be maintained at all times throughout the tenure of the Programme.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(b) 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.)

(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 under Tranche 1 of MTN 2 in 4 series with maturities commencing from the year 2021 to 2028 and redeemable every 12 months commencing 12 months after the first issuance date.

On 30 January 2019, OSKICM issued RM200.0 million under Tranche 2 of MTN 2 in 7 series with maturities commencing from the year 2020 to 2026 and 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.

On 17 May 2023 and 17 October 2023, OSKICM redeemed RM3.9 million and RM3.0 million respectively, of Tranche 1 of MTN 2. Further, on 30 May 2023 and 30 October 2023, OSKICM redeemed RM2.1 million and RM1.6 million respectively, of Tranche 2 of MTN 2. Since the first issuance on 30 April 2018, the total amount redeemed in respect of Tranche 1 and Tranche 2 of MTN 2 amounted to RM210.1 million and RM178.5 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)]; 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 (f)(i).

(ii) Tranche 3 of MTN 2

On 8 April 2021, OSKICM issued RM100.0 million under Tranche 3 of MTN 2 in 5 series with maturities commencing from the 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.

On 8 May 2023 and 8 November 2023, OSKICM redeemed RM17.0 million and RM3.0 million respectively, of Tranche 3 of MTN 2. Since the first issuance on 8 April 2021, the total amount redeemed in respect of Tranche 3 of MTN 2 amounted to RM20.0 million.

The Tranche 3 of MTN 2 is secured by:

(1) all its rights, titles, interests and benefits in and under the Debt Service Reserve Account ("DSRA") for Tranche 3 as disclosed in Note (f)(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 wholly-owned 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)].

Notes to the Financial Statements
31 December 2023

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(b) 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.)

(iii) Tranche 2 of Sukuk 1

On 23 July 2018, OSKICM issued RM93.0 million under Tranche 2 of Sukuk 1 with maturities commencing from the 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.

On 20 January 2023, 20 April 2023, 21 July 2023 and 23 October 2023, OSKICM redeemed RM7.0 million, RM8.0 million, RM8.0 million and RM8.0 million respectively, of Tranche 2 of Sukuk 1. Since the first issuance on 23 July 2018, the total amount redeemed in respect of Tranche 2 of Sukuk 1 amounted to RM70.0 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 wholly-owned 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 (f)(i).

(iv) Tranche 4 of Sukuk 1

On 9 November 2021, OSKICM issued RM132.0 million under Tranche 4 of Sukuk 1 with maturities commencing from the 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 has been no redemption since the 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 (f)(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 (f)(i) maintained by OSKICM and all monies from time to time standing to the credit thereto;

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(b) 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 4 of Sukuk 1 (Cont'd.)

The Tranche 4 of Sukuk 1 is secured by: (Cont'd.)

(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 wholly-owned 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 (f)(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)].

(c) 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 according 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 as disclosed in (f)(i) with a minimum 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 RM164.2 million under Tranche 1 of MTN 3 in 15 series with maturities commencing from the 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 2023, OSKICM redeemed RM7.5 million of Tranche 1 of MTN 3. Since the first issuance on 10 May 2019, the total amount redeemed in respect of Tranche 1 of MTN 3 amounted to RM22.5 million.

Notes to the Financial Statements

31 December 2023

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(c) Medium-term Note Programme for the issuance of medium-term notes of up to RM980.0 million in nominal value ("MTN 3") (Cont'd.)

(i) Tranche 1 of MTN 3 (Cont'd.)

The Tranche 1 of MTN 3 is secured by:

(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 (f)(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 wholly-owned 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.

(ii) Tranche 2, Tranche 3, Tranche 4 and Tranche 5 of MTN 3

On 30 September 2019, OSKICM issued RM100.0 million under Tranche 2 of MTN 3 with a tenure of 5 years maturing on 30 September 2024. On 30 January 2020, OSKICM further issued RM100.0 million under Tranche 3 of MTN 3 with a tenure of 5 years maturing on 30 January 2025. The proceeds from both tranches were utilised for working capital requirements.

On 30 September 2020, OSKICM issued RM200.0 million under Tranche 4 of MTN 3 in 8 series with maturities commencing from the year 2021 to 2028 and 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 20 December 2022 and 28 December 2022, OSKICM issued RM55.0 million under Tranche 5 of MTN 3 in 7 series with maturities commencing from the year 2023 to 2029 and RM45.0 million under Tranche 5 of MTN 3 with a tenure of 8 years maturing on 27 December 2030 respectively. Proceeds from Tranche 5 of MTN 3 were utilised for repayment of existing borrowings and working capital requirements of the Group.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(c) 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, Tranche 4 and Tranche 5 of MTN 3 (Cont'd.)

There have been no redemptions for Tranche 2 and Tranche 3 of MTN 3 since the issuance date.

On 29 September 2023, OSKICM redeemed RM10.0 million of Tranche 4 of MTN 3. Since the first issuance on 30 September 2020, the total amount redeemed in respect of Tranche 4 of MTN 3 amounted to RM20.0 million.

On 20 December 2023, OSKICM redeemed RM5.0 million of Tranche 5 of MTN 3. Since the first issuance on 20 December 2020, the total amount redeemed in respect of Tranche 5 of MTN 3 amounted to RM5.0 million.

The Tranche 2, Tranche 3, Tranche 4 and Tranche 5 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)];

(2) all its rights, titles, interests and benefits to and in the DSRA maintained by OSKICM and all monies from time to time standing to the credit thereto; and

(3) a DSRA, maintained by OSKICM, of a minimum amount equivalent to one-month coupon payment as disclosed in Note (f)(i).

(d) 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 according 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 a stable outlook to OSKRB's Sukuk-R and MCMTN-R. On 8 November 2023, MARC affirmed its AA_{IS}/AA ratings on OSKRB's Sukuk-R/MCMTN-R with a stable outlook.

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 minimum sum of RM30,000 each as disclosed in Note (f)(i) in respect of Sukuk-R and MCMTN-R which shall be maintained at all times throughout the tenure of the Programme.

Notes to the Financial Statements

31 December 2023

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(d) 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.)

(i) Series 1 of Sukuk-R and Series 1 of MCMTN-R

On 12 March 2021, OSKRB issued RM100.0 million under Series 1 of Sukuk-R and RM20.0 million under Series 1 of MCMTN-R with a tenure of 5 years maturing on 12 March 2026 at a 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 has been no redemption since the issuance date.

(ii) Series 2 and Series 3 of Sukuk-R

On 30 April 2021, OSKRB issued (i) RM373.0 million under Series 2 of Sukuk-R with a tenure of 7 years maturing on 28 April 2028 at a fixed rate of 4.39% per annum; (ii) RM205.0 million under Series 3 of Sukuk-R with a tenure of 10 years maturing on 30 April 2031 at a fixed rate of 4.52% per annum. The proceeds from both issuances were utilised for working capital and repayment of borrowings of the Group.

There has been no redemption since the issuance date.

(iii) Series 4 and Series 5 of Sukuk-R

On 15 September 2023, OSKRB issued (i) Series 4 of Sukuk-R of RM300.0 million with a tenure of 7 years maturing on 13 September 2030 at a fixed rate of 4.49% per annum; (ii) Series 5 of Sukuk-R of RM200.0 million with a tenure of 10 years maturing on 15 September 2033 at a fixed rate of 4.59% per annum. Proceeds from both issuances were utilised for working capital and repayment of borrowings of the Group.

There has been no redemption since the issuance date.

(e) Secured borrowings

The Group has pledged the following assets as security for the secured borrowings.

		Group		Company	
	Note	**2023**	**2022 (Restated)**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Carrying amounts of the assets pledged for credit facilities:					
Property, plant and equipment	3.1(b)(ii)	**132,801**	185,430	**–**	–
Investment properties	3.2(c)(iii)	**438,114**	430,324	**–**	–
Shares in an associate	3.4(c)	**1,388,219**	1,386,249	**902,641**	951,089
Right-of-use assets	3.6(b)(i)	**391**	403	**–**	–
Inventories:					
- Land held for property development	3.7(b)(i)	**661,407**	606,940	**–**	–
- Property development expenditure	3.7(b)(ii)	**182,525**	171,012	**–**	–
Cash, bank balances and short-term funds	3.17(e)	**47,460**	140,508	**62**	56
		2,850,917	2,920,866	**902,703**	951,145

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(f) Other information

(i) The 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
2023						
Tranche 1 of MTN 2	(b)(i)	39,915	–	–	20	
Tranche 2 of MTN 2	(b)(i)	21,529	–	–	42	34
Tranche 3 of MTN 2	(b)(ii)	80,000	310	–	–	
Tranche 2 of Sukuk 1	(b)(iii)	22,971	–	1,316	–	
Tranche 4 of Sukuk 1	(b)(iv)	132,000	–	517	–	34
Tranche 1 of MTN 3	(c)(i)	141,700	756	–	–	
Tranche 2 of MTN 3	(c)(ii)	100,000	400	–	–	
Tranche 3 of MTN 3	(c)(ii)	100,000	400	–	–	33
Tranche 4 of MTN 3	(c)(ii)	180,000	703	–	–	
Tranche 5 of MTN 3	(c)(ii)	95,000	399	–	–	
Series 1 of MCMTN-R	(d)(i)	20,000	–	–	–	31
Series 1 of Sukuk-R	(d)(i)	100,000	–	–	–	
Series 2 of Sukuk-R	(d)(ii)	373,000	–	–	–	
Series 3 of Sukuk-R	(d)(ii)	205,000	–	–	–	32
Series 4 of Sukuk-R	(d)(iii)	300,000	–	–	–	
Series 5 of Sukuk-R	(d)(iii)	200,000	–	–	–	
		2,111,115	2,968	1,833	62	164
Unamortised issuance expenses		(722)				
		2,110,393				

Notes to the Financial Statements
31 December 2023

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(f) Other information (Cont'd.)

(i) The outstanding MTNs and Sukuk, DSRA, FSRA, PA and TRA balances are as follows: (Cont'd.)

	Note	Outstanding amounts RM'000	DSRA balances RM'000	FSRA balances RM'000	PA balances RM'000	TRA balances* RM'000
2022						
Tranche 1 of MTN 2	(b)(i)	46,763	–	–	18	
Tranche 2 of MTN 2	(b)(i)	25,272	–	–	38	33
Tranche 3 of MTN 2	(b)(ii)	100,000	283	–	–	
Tranche 2 of Sukuk 1	(b)(iii)	53,971	–	1,270	–	
Tranche 4 of Sukuk 1	(b)(iv)	132,000	–	373	–	33
Tranche 1 of MTN 3	(c)(i)	149,200	738	–	–	
Tranche 2 of MTN 3	(c)(ii)	100,000	390	–	–	
Tranche 3 of MTN 3	(c)(ii)	100,000	390	–	–	32
Tranche 4 of MTN 3	(c)(ii)	190,000	539	–	–	
Tranche 5 of MTN 3	(c)(ii)	100,000	347	–	–	
Series 1 of MCMTN-R	(d)(i)	20,000	–	–	–	31
Series 1 of Sukuk-R	(d)(i)	100,000	–	–	–	
Series 2 of Sukuk-R	(d)(ii)	373,000	–	–	–	31
Series 3 of Sukuk-R	(d)(ii)	205,000	–	–	–	
		1,695,206	2,687	1,643	56	160
Unamortised issuance expenses		(886)				
		1,694,320				

* Included interest/profit income earned during the periods.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(f) Other information (Cont'd.)

(ii) The Group issued and redeemed the following MTNs and Sukuk during the year:

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Issuance:			
Tranche 5 of MTN 3	(c)(ii)	**–**	100,000
Series 4 of Sukuk-R	(d)(iii)	**300,000**	–
Series 5 of Sukuk-R	(d)(iii)	**200,000**	–
		500,000	100,000
Redemption:			
Tranche 1 of MTN 2	(b)(i)	**(6,848)**	(6,478)
Tranche 2 of MTN 2	(b)(i)	**(3,743)**	(3,461)
Tranche 3 of MTN 2	(b)(ii)	**(20,000)**	–
Tranche 2 of Sukuk 1	(b)(iii)	**(31,000)**	(27,000)
Tranche 1 of MTN 3	(c)(i)	**(7,500)**	(5,000)
Tranche 4 of MTN 3	(c)(ii)	**(10,000)**	(5,000)
Tranche 5 of MTN 3	(c)(ii)	**(5,000)**	–
		(84,091)	(46,939)

(iii) All covenants of the borrowings are met at all times during the year.

(iv) There were no changes in the terms of the existing borrowing contractual 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) The liquidity risk of the borrowings is disclosed in Note 1.8(a).

(vii) The currency exposure profile of the borrowings is disclosed in Note 1.8(b)(ii). Included in unsecured revolving credits is an amount of RM363.3 million or AUD115.9 million (2022: RM283.0 million or AUD94.9 million) which is denominated in AUD.

(viii) In the previous year, the term loans under current liabilities included an amount of RM143.0 million or USD32.4 million have been hedged via a cross-currency interest rate swap as disclosed in Note 3.12. The USD borrowing was fully repaid on 30 January 2023.

Notes to the Financial Statements
31 December 2023

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.18 BORROWINGS (CONT'D.)

(g) Reconciliation of liabilities arising from financing activities

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(i) Borrowings					
At the beginning of the year		**3,024,709**	2,751,117	**40,000**	40,000
Cash inflows/(outflows):					
- Net drawdowns		**231,400**	266,868	**–**	–
- Expenses incurred to be amortised		**(440)**	(638)	**–**	–
Non-cash:					
- Fair value (gain)/loss on cash flow hedge		**(89)**	7,347	**–**	–
- Exchange differences		**3,764**	(482)	**–**	–
- Amortisation of finance cost	2.6	**634**	497	**–**	–
		4,309	7,362	**–**	–
At the end of the year		**3,259,978**	3,024,709	**40,000**	40,000
(ii) Lease liabilities					
At the beginning of the year		**2,260**	14,512	**1,144**	2,914
Cash outflows	3.6(c)	**(2,048)**	(15,088)	**(1,864)**	(1,848)
Non-cash:					
- Exchange differences		**11**	6	**–**	–
- New leases		**447**	2,385	**5,041**	–
- Reassessments and modifications of leases		**–**	(100)	**–**	–
- Interest charged		**49**	545	**122**	78
		507	2,836	**5,163**	78
At the end of the year	3.6(c)	**719**	2,260	**4,443**	1,144
Total liabilities from financing activities		**3,260,697**	3,026,969	**44,443**	41,144

(h) Interest and profit rates

	Group 2023 %	Group 2022 %	Company 2023 %	Company 2022 %
Borrowings	**2.39 – 6.61**	2.96 – 4.87	**4.29 – 4.90**	3.16 – 4.48

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.19 TRADE PAYABLES

This note provides information about the amounts payable to contractors and suppliers that support the business operations.

	Note	Group 2023 RM'000	Group 2022 RM'000
Non-current			
Property development payables		**8,906**	9,804
Construction payables		**14,901**	9,732
Total non-current		**23,807**	19,536
Current			
Property development payables		**45,169**	35,964
Construction payables		**15,447**	17,545
Industries payables		**27,660**	25,254
Hotels payables		**2,411**	2,197
Advances received under capital financing		**2,026**	885
Other trade payables		**21,283**	16,151
Total current		**113,996**	97,996
Total	1.8(b)(ii)	**137,803**	117,532
Carrying amount analysed by business segments:			
Property		**54,075**	45,768
Construction		**30,348**	27,277
Industries		**27,660**	25,254
Hospitality		**2,411**	2,197
Financial Services & Investment Holding		**23,309**	17,036
		137,803	117,532

(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 and normally settled on 30 to 90 days (2022: 30 to 90 days).

(ii) The liquidity risk of the trade payables is disclosed in Note 1.8(a).

(iii) The 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 including provisions and accruals for expenses where probable outflows of economic resources are expected and deposits received from tenants and other arrangements.

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Non-current					
Deposits received	1.8(b)(ii),(b)(i)	**1,938**	3,501	**–**	–
Current					
Other payables	(b)(ii)	**51,052**	91,815	**–**	–
Accruals	(b)(iii)	**415,222**	348,797	**159**	158
Deposits received		**11,444**	8,613	**–**	–
	1.8(b)(ii)	**477,718**	449,225	**159**	158
Provisions	(b)(iv)	**162,223**	127,680	**4,482**	4,090
Total current		**639,941**	576,905	**4,641**	4,248
Total		**641,879**	580,406	**4,641**	4,248
Carrying amount analysed by business segments:					
Property		**560,071**	514,744		
Construction		**20,033**	8,607		
Industries		**17,791**	21,563		
Hospitality		**14,235**	16,108		
Financial Services & Investment Holding		**29,749**	19,384		
		641,879	580,406		

(a) Recognition, measurement and significant judgement

Other payables, accruals and deposits received are financial liabilities 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 obligation arises (legal or constructive) as a result of a past event, an outflow of economic resources will probably 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. The provision is reversed if it is no longer probable that an outflow of economic resources will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using the 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.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.20 OTHER LIABILITIES (CONT'D.)

(b) Other information

(i) The non-current deposits received represent amounts due to tenants for the rental of premises of a subsidiary and such deposits are refundable following the tenancy agreements.

(ii) Included in current other payables is an amount due to a joint venture partner of RM212,000 (2022: RM212,000). This amount is unsecured and is repayable following the terms of the joint venture, subject to the consent of both parties to the joint venture.

(iii) Accruals mainly consist of accrued property development costs.

(iv) Included in provisions is an amount of RM133.8 million (2022: RM104.4 million) representing provision for low-cost housing projects.

(v) The liquidity risk of the other liabilities excluding provisions is disclosed in Note 1.8(a).

(vi) The currency exposure profile of the other liabilities excluding provisions is disclosed in Note 1.8(b)(ii).

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 property development activities should be read in conjunction with Note 3.13 which relates to contract assets.

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Non-current			
Contract liabilities – vacation club membership fee received		**62,888**	75,184
Deferred income – capital financing fee received		**9,948**	3,280
Total non-current		**72,836**	78,464
Current			
Contract liabilities:			
- excess of progress billings to property purchasers over revenue recognised	3.13(b)(i)	**2,611**	2,061
- vacation club maintenance and membership fee received		**4,799**	6,087
Deferred income – capital financing fee received		**11,316**	8,383
Total current		**18,726**	16,531
Total		**91,562**	94,995

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.21 CONTRACT LIABILITIES AND DEFERRED INCOME (CONT'D.)

This note provides information about the outstanding contract liabilities and deferred income to be recognised. The contract liabilities of property development activities should be read in conjunction with Note 3.13 which relates to contract assets. (Cont'd.)

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Carrying amount analysed by business segments:			
Property		**2,611**	2,061
Hospitality		**67,687**	81,271
Financial Services & Investment Holding		**21,264**	11,663
		91,562	94,995

Contract liabilities include: (a) fee income received for services to be delivered under vacation club; (b) deferred income being financing fee income received to be amortised in accordance with the financing tenure in compliance with the effective interest/profit rate method; and (c) excess of progress billings to property purchasers to be recognised as revenue over construction progress.

Recognition and measurement

A contract liability is the obligation to transfer goods or services to a customer for which the consideration received, or an amount of consideration is due from the customer. Such consideration is the fair value at initial recognition. A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before transferring the related goods or services to the customer.

For the property development business, contract liabilities are recognised in the statement of financial position as the excess of progress billings to purchasers over the cumulative revenue recognised. Contract liabilities also include the down payments of vacation club membership and maintenance fees received from customers under the Hospitality Segment where the service being billed or the payment being collected before the services are provided to the customers.

Deferred income in respect of capital financing fee under the Financial Services Division received represents unamortised fee income and is recognised based on the effective interest/profit method.

Contract liabilities and deferred income are recognised as revenue in the statement of profit or loss when the performance obligations are satisfied (i.e. transfers control of the related goods or services to the customer).

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.22 SHARE CAPITAL

This note provides information about the issued and fully-paid share capital of the Company.

	Note	Group and Company 2023 Number of shares '000	Group and Company 2023 Amount RM'000	Group and Company 2022 Number of shares '000	Group and Company 2022 Amount RM'000
Issued and fully-paid ordinary shares					
At the beginning/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 the Property Sector on the Main Market of Bursa Securities, Malaysia. As at 31 December 2023, the Company's market capitalisation registered at RM2.6 billion (2022: RM2.0 billion) based on the last trading price of the year.

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.

3.23 TREASURY SHARES

This note provides information about the share buybacks of the Company.

	Note	Group and Company 2023 Number of shares '000	Group and Company 2023 Amount RM'000	Group and Company 2022 Number of shares '000	Group and Company 2022 Amount RM'000
At cost					
At the beginning/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	

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.23 TREASURY SHARES (CONT'D.)

(a) Recognition and measurement

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 deducted from the equity attributable to the Owner of the Company and classified as treasury shares until they are cancelled, reissued or disposed of.

Shares repurchased are being held as treasury shares under Section 127 of CA2016. The Company may distribute the treasury shares as dividends to the Shareholders or re-sell the treasury shares in the market under the Rules of Bursa Securities or cancel the shares under Section 127 of CA2016.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments. When treasury shares are distributed as dividends, the cost of the treasury shares distributed is applied to 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.

(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
2023 and 2022					
At the beginning/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 and previous year.

(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 following 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 its 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 under Section 127 of CA2016 and the provision of the listing requirements of Bursa Securities and any other relevant authorities.

The Directors are committed to enhancing the value of the Company for its Shareholders and believe that the repurchase plan is in the best interests of the Company and its Shareholders.

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.24 RESERVES

This note outlines the nature of each item of the reserves.

	Note	Group 2023 RM'000	Group 2022 (Restated) RM'000	Company 2023 RM'000	Company 2022 RM'000
Revaluation reserve	(a)	**63,451**	63,451	**–**	–
Foreign currency translation reserves	(b)	**67,959**	19,864	**–**	–
Hedging reserves	(c)	**–**	(89)	**–**	–
Other reserves	(d)	**(6,867)**	(75,409)	**–**	–
		124,543	7,817	**–**	–
Retained profits	(e)	**3,944,178**	3,621,564	**1,658,874**	1,419,559
		4,068,721	3,629,381	**1,658,874**	1,419,559

Each component of equity is disclosed in the statement of changes in equity, including the movement analysis of items under the statement of other comprehensive income. The nature, purpose and other relevant information of each reserve are described in the following notes:

(a) Revaluation reserve

	Group 2023 RM'000	Group 2022 RM'000
Revaluation surplus	**66,790**	66,790
Deferred tax	**(3,339)**	(3,339)
Revaluation reserve, net of tax	**63,451**	63,451

The revaluation reserve represents the 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 a 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 arose from the change of tax legislation in 2013. The revaluation reserve is derecognised upon disposal of the underlying property. In 2017, the disposals of certain investment properties were completed and the related revaluation of RM12.9 million had been reclassified to retained profits in the statement of changes in equity.

Notes to the Financial Statements

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D.)

3.24 RESERVES (CONT'D.)

(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 presentation currency. It is also used to record the foreign currency translation differences arising from monetary items which form part of the 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 a share of foreign currency translation reserves of associates arising from equity accounting.

The movement of foreign currency translation reserves for the year is disclosed in the statement of changes in equity.

(c) Hedging reserves

Hedging reserves comprise a cumulative net change in the fair value of the cash flow hedging instrument. Upon the expiry of the hedging instrument, such hedging reserves are reclassified to statement of profit or loss as disclosed in Note 3.12.

(d) Other reserves

Other reserves consist of a share of other reserves of associates as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Fair value through other comprehensive income reserve ("FVTOCI")	**(32,748)**	(99,074)
Others	**25,881**	23,665
	(6,867)	(75,409)

FVTOCI reserves represent the cumulative gains and losses arising from the revaluation of (i) investment in equity instruments designated as FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal; and (ii) investments in debt instruments classified as FVTOCI, 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 FVTOCI investments.

(e) Retained profits

The Company's retained profits are available for future distribution.

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES

This section provides information on the Group's significant events that have occurred during the year, related party disclosures, commitment and contingency.

4.1 SIGNIFICANT EVENTS DURING THE YEAR

Significant events consist of the changes in the 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 information received after the reporting period, but before the date of authorisation for issue, about conditions that existed at the end of the reporting period, an assessment on whether the information affects the amounts that recognised in the financial statements. An adjustment of the amounts is recognised in the financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, no change to the amounts recognised in the 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.

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 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 related parties include subsidiaries (Note 3.3), associates and a joint venture (Note 3.4), the ultimate holding companies [Note 1.1(c)] 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 either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all Directors and senior personnel of the Group.

Notes to the Financial Statements

31 December 2023

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D.)

4.3 RELATED PARTY DISCLOSURES (CONT'D.)

(b) Key management personnel's compensation

		Group		Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Directors:					
Executive					
Other benefits*		**11,798**	10,535	**6,855**	6,136
Estimated money value of benefits-in-kind		**128**	129	**88**	82
Total short-term employee benefits		**11,926**	10,664	**6,943**	6,218
Post-employment benefits					
- Defined contribution plan		**1,255**	1,283	**844**	878
Total compensation for Executive Directors		**13,181**	11,947	**7,787**	7,096
Non-Executive					
Fees - current year		**365**	316	**345**	316
- under provision		**16**	–	**–**	–
Other benefits*		**56**	71	**55**	71
Total compensation for Non-Executive Directors		**437**	387	**400**	387
Total compensation for Directors	2.4(b)	**13,618**	12,334	**8,187**	7,483
Other key management personnel:					
Short-term employee benefits		**9,657**	9,489	**2,462**	2,289
Estimated money value of benefits-in-kind		**89**	99	**25**	25
Total short-term employee benefits		**9,746**	9,588	**2,487**	2,314
Post-employment benefits					
- Defined contribution plans		**1,237**	1,238	**360**	316
Termination benefits		**300**	–	**–**	–
Total compensation for other key management		**11,283**	10,826	**2,847**	2,630
Total compensation for key management		**24,901**	23,160	**11,034**	10,113

* Other benefits included salaries, bonus, allowances, social security costs, employment insurance scheme and termination benefits.

SECTION 4: SIGNIFICANT EVENTS AND RELATED PARTY DISCLOSURES (CONT'D.)

4.3 RELATED PARTY DISCLOSURES (CONT'D.)

(c) Directors' remuneration

The Directors' remuneration is included in administrative expenses as disclosed in Note 4.3(b) where other benefits including salaries, bonuses, 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
2023	Fee payable RM'000	Other benefits RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Fee payable RM'000	Fee under-provision in prior year RM'000	Other benefits RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000	Total RM'000
Executive Directors										
Tan Sri Ong Leong Huat @ Wong Joo Hwa	–	2,900	28	2,928	–	–	2,450	6	2,456	5,384
Ong Ju Yan	–	3,462	35	3,497	–	–	–	–	–	3,497
Ong Ju Xing	–	–	–	–	–	–	2,904	34	2,938	2,938
Dato' Saiful Bahri bin Zainuddin	–	1,337	25	1,362	–	–	–	–	–	1,362
Total Executive Directors' Remuneration	–	7,699	88	7,787	–	–	5,354	40	5,394	13,181
Non-Executive Directors										
Dato' Thanarajasingam Subramaniam	70	15	–	85	20	16	1	–	37	122
Farah Deba binti Mohamed Sofian	65	5	–	70	–	–	–	–	–	70
Leong Keng Yuen	75	11	–	86	–	–	–	–	–	86
Wong Wen Miin	70	15	–	85	–	–	–	–	–	85
Ong Yee Ching	65	9	–	74	–	–	–	–	–	74
Total Non-Executive Directors' Remuneration	345	55	–	400	20	16	1	–	37	437
Total Directors' Remuneration	345	7,754	88	8,187	20	16	5,355	40	5,431	13,618

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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 is included in administrative expenses as disclosed in Note 4.3(b) where other benefits including salaries, bonuses, 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
2022	**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**
Executive Directors								
Tan Sri Ong Leong Huat @ Wong Joo Hwa	–	2,750	27	2,777	2,209	16	2,225	5,002
Ong Ju Yan	–	3,140	30	3,170	–	–	–	3,170
Ong Ju Xing	–	–	–	–	2,595	31	2,626	2,626
Dato' Saiful Bahri bin Zainuddin	–	1,124	25	1,149	–	–	–	1,149
Total Executive Directors' Remuneration	–	7,014	82	7,096	4,804	47	4,851	11,947
Non-Executive Directors								
Dato' Thanarajasingam Subramaniam	70	19	–	89	–	–	–	89
Datin Azalina binti Adham – resigned on 30 June 2022	33	6	–	39	–	–	–	39
Farah Deba binti Mohamed Sofian	3	–	–	3	–	–	–	3
Leong Keng Yuen	75	15	–	90	–	–	–	90
Wong Wen Miin	70	19	–	89	–	–	–	89
Ong Yee Ching	65	12	–	77	–	–	–	77
Total Non-Executive Directors' Remuneration	316	71	–	387	–	–	–	387
Total Directors' Remuneration	316	7,085	82	7,483	4,804	47	4,851	12,334

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

Relationships 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 transactions and outstanding balances that have been entered into between the Company, subsidiaries, associates and a joint venture.

	Group			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with associates and a joint venture	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
RHB Bank Berhad group of companies				
<u>RHB Bank Berhad</u>				
Interest income	**1,570**	546	**–**	–
Office rental income	**921**	909	**–**	–
Interest expense	**(12,549)**	(8,351)	**–**	–
Bank balances and short-term funds	**–**	–	**167,656**	138,340
Borrowings	**–**	–	**(328,676)**	(333,004)
<u>RHB Asset Management Sdn. Bhd.</u>				
Funds distribution income	**6,698**	4,415	**–**	–
Short-term funds	**–**	–	**159,918**	374,320
<u>RHB Islamic Bank Berhad</u>				
Profit expense	**(5,881)**	(4,672)	**–**	–
Bank balances and short-term fund	**–**	–	**922**	447
<u>RHB Investment Bank Berhad</u>				
Facilities fee expense	**(959)**	(179)	**–**	–
Yarra Park City Pty. Ltd. group of company				
<u>Queensbridge Place Pty. Ltd.</u>				
Interest income	**361**	2,368	**–**	–
Term financing	**–**	–	**–**	149,415

Notes to the Financial Statements

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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.)

Relationships 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 transactions and outstanding balances that have been entered into between the Company, subsidiaries, associates and a joint venture. (Cont'd.)

	Company			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with subsidiaries	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
OSK Capital Sdn. Bhd.				
Dividend income	**70,000**	13,000	**–**	–
Management fee income	**4,027**	3,825	**–**	–
OSK Capital Management Sdn. Bhd.				
Dividend income	**2,500**	–	**–**	–
Interest expense	**(935)**	(1,161)	**–**	–
Management fee income	**237**	211	**–**	–
Amount due to a subsidiary	**–**	–	**–**	(61,000)
OSK Design Sdn. Bhd.				
Dividend income	**1,500**	–	**–**	–
OSK I CM Sdn. Bhd.				
Dividend income	**4,000**	–	**–**	–
Interest expense	**(6,563)**	(8,725)	**–**	–
Amount due to a subsidiary	**–**	–	**(125,729)**	(192,372)
OSK Management Services Sdn. Bhd.				
Management fee expense	**(1,015)**	(1,065)	**–**	–
OSK Rated Bond Sdn. Bhd.				
Interest expense	**(9,154)**	(11,406)	**–**	–
Amount due to a subsidiary	**–**	–	**(226,325)**	(226,325)
OSK Realty Sdn. Bhd.				
Dividend income	**1,500**	4,000	**–**	–
Office rental expense	**(1,780)**	(1,765)	**–**	–
OSK Syariah Capital Sdn. Bhd.				
Management fee income	**557**	125	**–**	–

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.)

Relationships 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 transactions and outstanding balances that have been entered into between the Company, subsidiaries, associates and a joint venture. (Cont'd.)

	Company			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with subsidiaries (Cont'd.)	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
OSK Property Holdings Berhad group of companies				
OSK Property Holdings Berhad				
Dividend income	**–**	19,010	**–**	–
Management fee income from:				
Aspect Potential Sdn. Bhd.	**2,121**	1,184	**–**	–
Aspect Synergy Sdn. Bhd.	**3,303**	3,404	**–**	–
Jelang Vista Sdn. Bhd.	**427**	93	**–**	–
Mori Park Sdn. Bhd.	**434**	288	**–**	–
OSK Properties Sdn. Bhd.	**2,500**	1,842	**–**	–
Perspektif Vista Sdn. Bhd.	**368**	213	**–**	–
Potensi Rajawali Sdn. Bhd.	**448**	460	**–**	–
PJ Development Holdings Berhad group of companies				
PJ Development Holdings Berhad				
Dividend income	**151,641**	117,372	**–**	–
Management fee income from:				
Olympic Cable Company Sdn. Bhd.	**1,674**	1,247	**–**	–
PJD Eastern Land Sdn. Bhd.	**486**	344	**–**	–
PJD Realty Sdn. Bhd.	**68**	208	**–**	–
PJD Regency Sdn. Bhd.	**966**	1,913	**–**	–
Transactions and balances with an associated group of companies				
RHB Bank Berhad group of companies				
RHB Bank Berhad				
Dividend income	**174,366**	169,910	**–**	–
Bank balances	**–**	–	**303**	210
RHB Asset Management Sdn. Bhd.				
Funds distribution income	**1,693**	248	**–**	–
Short-term funds	**–**	–	**21,464**	28,039

Notes to the Financial Statements

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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 the 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)	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dindings Consolidated Sdn. Bhd. group of companies				
Acolia Sdn. Bhd.				
Purchase of building material	**(4,031)**	(2,364)	**(1,358)**	–
Acotiles Sdn. Bhd.				
Supply of building material	**210**	–	**–**	–
Purchase of building material	**(6,734)**	(1,983)	**(1,892)**	–
DC Services Sdn. Bhd.				
Insurance premium expense	**(273)**	(300)	**–**	–
Dindings Consolidated Sdn. Bhd.				
Office rental income	**417**	648	**–**	–
Rental expense	**(259)**	(490)	**–**	–
Dindings Design Sdn. Bhd.				
Renovation income	**1,233**	–	**–**	–
Dindings Life Agency Sdn. Bhd.				
Insurance premium expense	**(758)**	(727)	**–**	–
Sincere Source Sdn. Bhd.				
Insurance premium expense	**(2,007)**	(1,822)	**–**	–

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 the Directors or major Shareholders of the Company: (Cont'd.)

		Group			
		Income/(Expenses)		Amount due from/(to)	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(ii)	Raslan Loong, Shen & Eow ("RLSE")				
	The son-in-law of Tan Sri Ong Leong Huat @ Wong Joo Hwa is a partner of RLSE.				
	Legal fee expenses	**(1,039)**	(1,065)	**–**	–
(iii)	Wong Enterprise				
	The brother of Tan Sri Ong Leong Huat @ Wong Joo Hwa is a partner of Wong Enterprise.				
	Sales of fresh fruit bunch	**896**	1,511	**228**	155

(f) Ultimate holding company

The Company does not have any related party transactions or outstanding balances with Yellow Rock (L) Foundation, the Company's ultimate holding company.

Notes to the Financial Statements
31 December 2023

SECTION 5: COMMITMENTS, CONTINGENCIES AND LITIGATIONS

This section provides additional information about items not recognised in the financial statements.

5.1 COMMITMENTS

This note outlines the financial commitment of the Group.

(a) Operating leases commitments

This note provides information on operating lease commitments for leases where the Group is a lessor. The information for leases where the Group is a lessee is disclosed in Note 3.6.

For the non-cancellable lease arrangements on certain properties classified under (i) property, plant and equipment; and (ii) investment properties with third parties. The aggregated future minimum lease receivables (undiscounted lease payment to be received) are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Up to 1 year	**19,038**	23,692
Later than 1 year and not later than 5 years	**24,477**	36,549
More than 5 years	**70,178**	74,673
	113,693	134,914
Operating lease commitments analysed by business segments:		
Property	**113,181**	134,176
Hospitality	**512**	738
	113,693	134,914

(b) Capital commitments

Contracted but not provided for:		
- Acquisition of:		
- land held for property development	**1,259**	20,263
- office equipment, factory equipment and software licences	**24,399**	44,308
- Factory expansion	**3,998**	15,000
- Renovation costs	**5,507**	9,051
	35,163	88,622

SECTION 5: COMMITMENTS, CONTINGENCIES AND LITIGATIONS (CONT'D.)

5.1 COMMITMENTS (CONT'D.)

(b) Capital commitments (Cont'd.)

Capital commitments analysed by business segments:

	Group	
	2023 RM'000	**2022 RM'000**
Property	**1,266**	20,263
Industries	**28,092**	56,216
Hospitality	**5,805**	10,782
Financial Services & Investment Holding	**–**	1,361
	35,163	88,622

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 of 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 extremely rare cases, 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 and of the Company. The Group and the Company do not recognise contingent assets/liabilities but discloses their existence in the financial statements, if any, where inflows/outflows of economic benefits are probable, but not certain. Commitment is measured at the transacted price less the amount provided for in the financial statements.

The Group is currently not required to adopt IFRS S2 'Climate-related Disclosures', and the relevant requirements on contingent liability are discussed in Note 6.3(b)(vi).

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 or 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.

Notes to the Financial Statements
31 December 2023

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS

This section provides a summary of other material accounting policies including the adoption of the amendments to published standards and interpretation to the existing MFRS and standards issued by MASB that are applicable during the year; standards that have been issued but not yet adopted by the Group; and newly issued sustainability disclosure standards issued by ISSB. 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.

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR

The following amendments to published standards and interpretation to the existing MFRS and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 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 the classification of liabilities as current or non-current. 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 based on those financial statements.

(iii) Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' (Definition of Accounting Estimates)

These amendments revise 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 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)

These amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

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.

These amendments clarify 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.

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR (CONT'D.)

The following amendments to published standards and interpretation to the existing MFRS and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2023: (Cont'd.)

(v) Amendments to MFRS 112 'Income Taxes' (International Tax Reform – Pillar Two Model Rules)

These amendments give entities temporary relief from recognising and disclosing accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's ("OECD") international tax reform and introduce targeted disclosure requirements on the income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Applying for the temporary relief, entities neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The relief will help to ensure consistency in the financial statements while easing into the implementation of the rules.

The adoption of these amendments does not have any significant financial impact on the Group.

(vi) Adoption of MFRS 17 'Insurance Contracts'

RHB Bank, an associate of the Company, has adopted MFRS 17. RHB Bank assessed historical information available on all contracts existing at the transition date and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of insurance contracts issued before 2012. RHB Bank elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information.

The effects of the adoption of MFRS 17 of the Group on items of Financial Statements are as follows:

Statement of Financial Position as at 1.1.2022	As previously reported RM'000	Effect of adoption of MFRS 17 RM'000	As restated RM'000
Non-current assets:			
Investment in associates and a joint venture	3,919,623	4,742	3,924,365
Total Assets	9,215,953	4,742	9,220,695
Equity:			
Retained profits	3,316,068	4,742	3,320,810
Reserves	3,415,955	4,742	3,420,697
Total Equity	5,539,843	4,742	5,544,585
Net Assets per share attributable to Owners of the Company (RM)	2.65	–[@]	2.65

[@] negligible

Notes to the Financial Statements
31 December 2023

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR (CONT'D.)

The following amendments to published standards and interpretation to the existing MFRS and standard issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2023: (Cont'd.)

(vi) Adoption of MFRS 17 'Insurance Contracts' (Cont'd.)

The effects of the adoption of MFRS 17 of the Group on items of Financial Statements are as follows: (Cont'd.)

Statement of Financial Position as at 31.12.2022	**As previously reported RM'000**	**Effect of adoption of MFRS 17 RM'000**	**As restated RM'000**
Non-current assets:			
Investment in associates and a joint venture	3,973,505	1,758	3,975,263
Total Assets	9,679,639	1,758	9,681,397
Equity:			
Retained profits	3,619,806	1,758	3,621,564
Reserves	3,627,623	1,758	3,629,381
Total Equity	5,754,583	1,758	5,756,341
Net Assets per share attributable to Owners of the Company (RM)	2.75	0.01	2.76
Statement of Profit or Loss for the financial year ended 31.12.2022			
Share of results of associates and a joint venture, net of tax	283,983	(2,984)	280,999
Profit before tax	488,045	(2,984)	485,061
Profit after tax	429,809	(2,984)	426,825
Profit attributable to Owners of the Company	427,188	(2,984)	424,204
Earnings per share attributable to Owners of the Company (sen):			
Basic/Diluted	20.72	(0.15)	20.57

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year:

(a) For financial year beginning on/after 1 January 2024

(i) Amendments to MFRS 101 'Presentation of Financial Statements' (Non-current Liabilities with Covenants)

These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

(ii) Amendments to MFRS 16 'Leases' (Lease Liability in a Sale and Leaseback Transactions)

These amendments add subsequent measurement requirements for the lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall subsequently measure the leaseback liability by applying the measurement requirements of the lease liabilities stated in this standard. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

(iii) Amendments to MFRS 107 'Statement of Cash Flows' and Amendments to MFRS 7 'Financial Instruments: Disclosures' (Supplier Finance Arrangements)

These amendments clarify the additional requirements for disclosure of supplier finance arrangements to achieve greater transparency on the supplier finance arrangements. The disclosure requirements require disclosure of information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. It also required to inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

The adoption of these amendments is not expected to have a material financial impact on the Group.

(b) For the financial year beginning on/after 1 January 2025

Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates' (Lack Of Exchangeability)

These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

The adoption of these amendments is not expected to have a material financial impact on the Group.

Notes to the Financial Statements

31 December 2023

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE 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 MFRS issued by MASB that apply to the Group but are 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 the 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 under MFRS 9 as investment, the part of the gain or loss resulting from the remeasurement at the 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 a material financial impact on the Group.

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS

The following are published sustainability disclosure standards issued by ISSB that may apply to the Group but are not yet effective for the current financial year:

ISSB issued the following first two new Sustainability Disclosure Standards on 26 June 2023 for guidance on disclosures of sustainability-related financial information.

(a) IFRS S1 General Requirements for 'Disclosure of Sustainability-related Financial Information'
(b) IFRS S2 'Climate-related Disclosures'

At present, disclosures of sustainability information in Malaysia are only mandatory for companies which are listed on Bursa Malaysia. An entity shall not describe sustainability-related financial disclosures as complying with IFRS Sustainability Disclosure Standards unless they comply with all the requirements of IFRS Sustainability Disclosure Standards.

The standards shall apply for annual reporting periods beginning on or after 1 January 2024. However, the regulators in Malaysia have yet to decide on whether to adopt IFRS S1 and S2 and when they shall be applicable.

(a) IFRS S1 General Requirements for 'Disclosure of Sustainability-related Financial Information'

IFRS S1 provides a set of disclosure requirements designed to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The objective of IFRS S1 is to disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 requires disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or the cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how to prepare and report its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources.

IFRS S1 sets out the requirements for disclosing information about sustainability-related risks and opportunities, such as disclosures about:

(i) Governance - the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;

(ii) Strategy - the entity's strategy for managing sustainability-related risks and opportunities;

(iii) Risk Management - the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and

(iv) Metrics and Targets - the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

Notes to the Financial Statements
31 December 2023

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

The following are published sustainability disclosure standards issued by ISSB that may apply to the Group but are not yet effective for the current financial year: (Cont'd.)

(b) IFRS S2 'Climate-related Disclosures'

The objective of IFRS S2 is to require disclosure of information about its climate-related risks and opportunities that are useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 requires disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or the cost of capital over the short, medium or long term. Such risks and opportunities are collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'.

The core content follows that in IFRS S1 which are Governance, Strategy, Risk Management; and Metrics and Targets. Climate information that has to be disclosed is divided into:

(1) climate-related Physical Risks; and
(2) climate-related Transition Risks.

Climate-related Physical Risks are those resulting from climate change such as storms, floods, drought or heatwaves or from longer-term shifts in climatic patterns of extreme weather events, whilst Transition Risks are the risks that arise when an entity transitions to a lower-carbon economy.

In addition, an entity should report on its climate-related opportunities. As for IFRS S1, the information will be qualitative and quantitative. The unique qualitative information would include information on climate resilience, greenhouse gas emissions, industry metrics, internal carbon prices, climate-related considerations for determining executive remuneration, etc. Greenhouse gas emissions may be further analysed into:

Scope 1 : direct emissions from the use of own equipment or facilities such as company cars.

Scope 2 : indirect emissions from purchased electricity, steam, heating and cooling for own use.

Scope 3 : indirect emissions from 15 upstream and downstream sources in the entity's supply chain such as purchased goods and services.

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

The following are published sustainability disclosure standards issued by ISSB that may apply to the Group but are not yet effective for the current financial year: (Cont'd.)

(b) IFRS S2 'Climate-related Disclosures' (Cont'd.)

Below are some key points on the effects of climate-related matters on financial statements:

(i) MFRS 101 'Presentation of financial statements': Information on climate-related matters may be relevant if investors can reasonably expect that it will have a significant impact on the entity and, therefore, influence their investment decisions. Certain judgements may be impacted by climate-related matters, so entities may need to consider disclosing these judgements, where applicable. Climate-related matters may create material uncertainties related to events or conditions that cast significant doubt upon an entity's ability to continue as a going concern. In assessing whether the going concern basis of preparation is appropriate, information regarding climate-related matters should be considered in conjunction with other uncertainties where applicable [Note 1.2(a)].

(ii) MFRS 102 'Inventories': Entities may find that climate-related matters may cause the inventories to become obsolete, or the selling price to decline or the costs of completion to increase. Estimates of net realisable value will be based on the most reliable evidence available of the amount which the inventories are expected to realise. Climate-related matters may give rise to an indication that assets are impaired. A decline in demand for products that are not environmentally friendly could indicate impairment of that product. An adverse change in the business environment of an entity is an indication of impairment. It will need to consider whether climate-related matters affect those assumptions, if applicable [Note 3.7(a)].

(iii) MFRS 112 'Income Taxes': Climate-related matters may affect an entity's estimate of future taxable profits and may result in the entity being unable to recognise deferred tax assets and/or being required to derecognise deferred tax assets that were previously recognised. An entity may find that climate-related matters affect its future taxable profits and, therefore, may result in it not being able to recognise deferred tax assets for any deductible temporary differences or unused tax losses [Note 3.8(c)].

(iv) MFRS 116 'Property, plant and Equipment', MFRS 138 'Intangible Assets' and MFRS 16 'Leases': These standards require entities to review the estimated residual values and expected useful lives of assets at least annually. Climate-related matters may impact both of these estimates due to, for example, obsolescence, legal restrictions or inaccessibility of the assets. Estimated residual values and expected useful lives, and changes to them, will also require disclosure. Climate-related matters may give rise to an indication that assets are impaired. An adverse change in the business operating environment of a business is an indication of impairment. It will need to consider whether climate-related matters affect those assumptions, if applicable. The Group is required to consider the impact of health, safety and environmental legislation, including climate-related matters (including physical risks such as recurring floods, rising sea levels, etc. and transition risks including legal or regulatory restrictions on the future use of assets and the potential obsolescence of assets due to changes in consumer demand), in its assessment of expected useful lives and estimated residual values where applicable [Notes 3.1(a), 3.5(a) and 3.6(a)(i)].

(v) MFRS 136 'Impairment of Assets': The carrying value of an entity's assets or cash-generating units (CGUs) (including goodwill) may be overstated if the impairment calculations do not take into account the impact of climate-related matters. MFRS 136 requires the recoverable amount, if estimated using value in use, to be based on reasonable and supportable assumptions that represent management's best estimate of the range of future economic conditions. This requires the Group to consider whether climate-related matters affect those assumptions such as climate-related legislation and regulations as well as changes in demand for products and services [Notes 3.1(a), 3.3(a), 3.4(a), 3.5(a) and 3.6(a)(i)].

Notes to the Financial Statements

31 December 2023

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

The following are published sustainability disclosure standards issued by ISSB that may apply to the Group but are not yet effective for the current financial year: (Cont'd.)

(b) IFRS S2 'Climate-related Disclosures' (Cont'd.)

Below are some key points on the effects of climate-related matters on financial statements: (Cont'd.)

(vi) MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and IFRIC 21 'Levies': MFRS 137 requires disclosure of the nature of a provision or contingent liability and an indication of the uncertainties about the amount or timing of any related outflows of economic benefits. Climate-related matters may impact provisions recognised under MFRS 137 due to levies imposed for failing to meet climate-related targets, remediation of environment damage, contracts that may lose revenue or increase costs due to climate-related legislation becoming onerous, or restructurings required to achieve climate-related targets. Thus, disclosure of climate-related matters may be required (Note 5.2).

(vii) MFRS 7 'Financial Instruments – Disclosures': Climate risks, both physical and transitional, may have implications for the credit risk of financial assets that the Group holds. Such risks could potentially impact the ability of the debtor or borrower to repay the receivable or loan, or for the organisation to recover the receivable. Climate-related matters may expose an entity to risks concerning financial instruments. For Capital Financing, the Group may be necessary to provide information about the effect of climate-related matters on the measurement of expected credit losses or on concentrations of credit risk. For equity investments, the Group may be necessary to disclose exposure to climate-related risks when disclosing concentrations of market risk, where applicable.

(viii) MFRS 9 'Financial Instruments': MFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities. This includes both primary financial instruments (i.e. cash, receivables, debt and shares in another entity) and derivative financial instruments (i.e. options, forwards, futures, interest rate swaps and currency swaps). The Group may need to consider implications on the recognition and measurement of financial assets and liabilities as well as any potentially relevant climate-related implications on hedging accounting, if applicable.

Climate-related matters may also affect a lender's exposure to credit losses, such as environmental disasters or regulatory change, affecting a borrower's ability to meet its debt obligations to the lender. Climate-related matters may also affect the classification and measurement of loans as lenders may include terms linking contractual cash flows to an entity's achievement of climate-related targets. The lender would need to consider the loan terms in assessing whether the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Additionally, those climate-related targets may affect whether there are embedded derivatives that need to be separated from the host contract [Note 3.9(a)].

The Group may assess the estimation of expected credit losses on receivables and contract assets to appropriately reflect the climate-related risks or uncertainties to which specific customers are exposed [Note 3.10(a)(i) and 3.13(a)].

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D.)

The following are published sustainability disclosure standards issued by ISSB that may apply to the Group but are not yet effective for the current financial year: (Cont'd.)

(b) IFRS S2 'Climate-related Disclosures' (Cont'd.)

Below are some key points on the effects of climate-related matters on financial statements: (Cont'd.)

(ix) MFRS 13 'Fair Value Measurement': Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets and liabilities in the financial statements. Climate-related matters may also affect the disclosure of fair value measurements, particularly those categorised within Level 3 of the fair value hierarchy. MFRS 13 requires disclosure of unobservable inputs used in fair value measurements. Those inputs should reflect the assumptions that market participants would use, including assumptions about climate-related risk.

For securities at fair value through profit or loss which represent quoted shares in Malaysia and biological assets, the Group is required to consider the effect of the physical and transition risks in arriving at the fair values [Notes 3.14(c) and 3.16(b)].

(x) MFRS 140 'Investment Property': After initial recognition, an entity that chooses the fair value model shall measure all of its investment property at fair value, except for the case where the fair value cannot be measured reliably. MFRS 13 provides guidance on both the measurement of fair values, as well as required disclosure. For investment properties including retail and office properties, the Group is required to consider the effect of physical and transition risks and whether stakeholders would consider those risks in their valuation. The Group may also need to consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. Climate-related matters may also affect the disclosure of fair value measurements, particularly those categorised within Level 3 of the fair value hierarchy including market participants' views of potential climate-related matters [Note 3.2(a)].

(xi) MFRS 141 'Agriculture': A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the case where the fair value cannot be measured reliably. For biological assets which represent unharvested oil palm fresh fruit bunches, the Group is required to consider the effect of the physical and transition risks in arriving the fair values. The Group may also need to consider impacts of transition risks in their valuation, such as increasing requirements for replanting due to climate-related legislation and regulations. Nevertheless, the Group continues to monitor physical risks (such as higher temperatures, weather variability such as fluctuations in rainfall, and more frequent extreme weather events leading to flooding and forest fires) may be more evident in the agricultural sector, affecting crops or products that are especially climate sensitive. Climate change may also reduce crop yields at the farm level. Climate-related matters may also affect the disclosure of fair value measurements per MFRS 13, particularly those categorised within Level 3 of the fair value hierarchy including market participants' views of potential climate-related matters [Note 3.14(c)].

Upon adoption of these two new sustainability disclosure standards, the financial effects will be assessed by the Group.

List of Group's Top 10 Properties

As at 31 December 2023

	Address/Location	Description/ Existing Use	Tenure	Approximate Area	Date of Acquisition	Approximate Age of Building	Carrying Value RM'000
1.	SS 22, Damansara Jaya, Petaling Jaya, Selangor Darul Ehsan	Shopping mall and car park	Freehold	5.47 acres	6 July 2007	9 years	380,000
2.	Jalan Ampang, Kuala Lumpur	Property development	Freehold	1.40 acres	30 October 1996	N/A	314,445
3.	Iringan Bayu, Mukim Rantau, Daerah Seremban, Negeri Sembilan Darul Khusus	Property development	Freehold	223.59 acres	8 January 2016	N/A	288,416
4.	Sungai Petani, Kedah Darul Aman	Property development	Freehold	666.72 acres	29 January 1996	N/A	280,691
5.	Seksyen 13, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Property development	Leasehold (expiring on 11 March 2120)	15.38 acres	11 July 2019	N/A	194,251
6.	Mukim Setapak, Kuala Lumpur	Property development	Freehold	10.07 acres	23 April 2018	N/A	185,176
7.	Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Property development	Freehold	17.44 acres	27 November 2019	N/A	171,885
8.	Plaza OSK, Jalan Ampang, Kuala Lumpur	Office building	Freehold	1.32 acres	30 December 1993	39 years	146,225
9.	Iringan Bayu 2, Mukim Rantau, Daerah Seremban, Negeri Sembilan Darul Khusus	Property development	Freehold	908.74 acres	30 March 2021	N/A	116,437
10.	Damai Laut Country Resort, Mukim of Lumut, District of Dindings, Perak Darul Ridzuan	Resort	Freehold and leasehold (expiring on 8 June 2094)	345.38 acres	1990	N/A	79,015

Statement of Shareholdings

As at 21 February 2024

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	3,505	15.54	136,998	0.01
100 – 1,000	2,154	9.55	898,442	0.04
1,001 – 10,000	10,664	47.28	49,262,058	2.39
10,001 – 100,000	5,304	23.51	161,734,388	7.84
100,001 – 103,105,198*	930	4.12	816,958,000	39.62
103,105,199 and above**	1	0.00	1,033,114,094	50.10
	22,558	**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	54,175,861	2.63	1,033,114,094[1]	50.10
2. Yellow Rock (L) Foundation	1,033,114,094	50.10	–	–

Note:

(1) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his controlling interest in Yellow Rock (L) Foundation.

Statement of Shareholdings

As at 21 February 2024

30 LARGEST REGISTERED HOLDERS

	Name	No. of Ordinary Shares	%
1.	Yellow Rock (L) Foundation	1,033,114,094	50.10
2.	Toh Ean Hai	42,000,000	2.04
3.	Tan Sri Ong Leong Huat @ Wong Joo Hwa	41,875,861	2.03
4.	Hwang Capital (Malaysia) Sdn. Bhd.	37,000,000	1.79
5.	Puan Sri Khor Chai Moi	30,101,882	1.46
6.	Khor Chei Yong	21,330,000	1.03
7.	Dato' Nik Mohamed Din bin Datuk Nik Yusoff	21,000,000	1.02
8.	Ong Ju Yan	19,737,550	0.96
9.	Ong Yin Suen	15,489,876	0.75
10.	Cartaban Nominees (Asing) Sdn. Bhd. – SSBT Fund J724 for SPDR Portfolio Emerging Markets ETF	14,820,042	0.72
11.	Cartaban Nominees (Tempatan) Sdn. Bhd. – Exempt AN for LGT Bank AG (Local)	12,300,000	0.60
12.	Citigroup Nominees (Asing) Sdn. Bhd. – CBHK for Hostplus Pooled Superannuation Trust (Hosking Partner)	11,889,424	0.58
13.	Nora Ee Siong Chee	11,835,937	0.57
14.	Ong Yee Min	11,061,699	0.54
15.	Ong Ju Xing	10,497,911	0.51
16.	Cartaban Nominees (Asing) Sdn. Bhd. – SSBT Fund SUQ3 for Australian Retirement Trust	10,392,100	0.50
17.	Maybank Nominees (Tempatan) Sdn. Bhd. – Maybank Private Wealth Management for Ong Ju Xing (PW-M01123) (424425)	10,000,000	0.48
18.	Wong Chong Ngin	8,030,000	0.39
19.	Citigroup Nominees (Asing) Sdn. Bhd. – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	7,700,167	0.37
20.	Lock Kai Sang	7,284,075	0.35
21.	RHB Nominees (Tempatan) Sdn. Bhd. – Wong Chong Shee	7,275,450	0.35
22.	CIMB Group Nominees (Asing) Sdn. Bhd. – Exempt AN for DBS Bank Ltd (SFS-PB)	6,700,000	0.32
23.	Amanahraya Trustees Berhad – Public SmallCap Fund	6,497,400	0.32
24.	Chinchoo Investment Sdn. Berhad	6,489,690	0.31
25.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. – Exempt AN for Deutsche Bank AG Singapore (MAYBANK SG PWM)	5,967,189	0.29
26.	Citigroup Nominees (Asing) Sdn. Bhd. – CBNY for Dimensional Emerging Markets Value Fund	5,899,005	0.29
27.	Tan Eng Heng	5,699,700	0.28
28.	Lim Pei Tiam @ Liam Ahat Kiat	5,500,000	0.27
29.	HSBC Nominees (Asing) Sdn. Bhd. – TNTC for Hosking Global Fund Public Limited Company	5,271,107	0.26
30.	Tan Kim Kee @ Tan Kee	5,150,000	0.25

Statement of Directors' Interests

As at 21 February 2024

Name of Directors	Number of Ordinary Shares Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	54,175,861	2.63	1,089,767,551[1]	52.85
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

Name of Director & Related Corporations	Number of Ordinary Shares Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in:				
PJ Development Holdings Berhad	–	–	510,593,093[4]	97.31
OSK Property Holdings Berhad	–	–	345,639,965[4]	99.93
Yellow Rock (L) Foundation[5]	N/A	N/A	N/A	N/A

Notes:

[1] Deemed interested pursuant to Section 8 of the Companies Act 2016 ("CA2016") by virtue of his controlling interest in Yellow Rock (L) Foundation 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 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.

[5] Deemed interested pursuant to Section 8 of CA2016 by virtue of his controlling interest in Yellow Rock (L) Foundation.

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 subsidiary companies 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 21 February 2024.

Statement of Key Senior Management's Interests

As at 21 February 2024

SHAREHOLDINGS OF KEY SENIOR MANAGEMENT IN THE COMPANY AND/OR RELATED CORPORATIONS

	Number of Ordinary Shares			
Name of Key Senior Management	**Direct Interest**	**%**	**Indirect Interest**	**%**
1. Puan Sri Khor Chai Moi	30,101,882	1.46	140,734,851[1]	6.83
2. Ong Ghee Bin	20,000	*	–	–
3. Chong Cheong Leong, Edmund	21,000	*	–	–
4. Tan Kheak Chun	–	–	–	–
5. Chow Hock Kin	7,500	*	–	–
6. Yeoh Peik Hong, Daidre	80,000	*	–	–
7. Ting Chun Hong, Ivan	–	–	–	–
8. Chew Cheng Leong, Edwin	–	–	–	–
9. Ng Lai Ping	352,000	0.02	–	–
10. Tio Jun Lim	–	–	67,500[2]	*
11. Sit Mee Leng	–	–	–	–
12. Mak Pick Wan, Chris	–	–	15,000[3]	*
13. Cheng Kee Thiam	–	–	–	–
14. Woo Lai Mei	–	–	–	–

Notes:

* Negligible
[1] Indirect interest held through her spouse and her children.
[2] Indirect interest held through his spouse.
[3] Indirect interest held through her child.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, Ong Ju Yan and Ong Ju Xing are also Key Senior Management members of the Company and their interests have been disclosed in the Statement of Directors' Interests.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 34th Annual General Meeting of the Company will be held on a virtual basis through Remote Participation and Voting facilities provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal (https://sshsb.net.my/) from the Main Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan as the broadcast venue on Thursday, 18 April 2024 at 10:00 a.m. to transact the following business:

AGENDA

1. To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2023 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 ordinary share in respect of the financial year ended 31 December 2023. **Ordinary Resolution 1**

3. To approve the payment of the following fees to the Non-Executive Directors of the Company for the period from 19 April 2024 (unless otherwise stated) until the next Annual General Meeting of the Company: **Ordinary Resolution 2**

	Annual Fee	
Description	**Chairman**	**Members**
Board of Directors	–	RM65,000
Audit Committee	RM10,000	–
Risk Management Committee	RM5,000	–
Nomination and Remuneration Committee	RM5,000	–
Sustainability Committee (established on 16 January 2024)	RM5,000	–

4. To approve the payment of Directors' benefits up to an amount of RM150,000 to the Non-Executive Directors of the Company for the period from 19 April 2024 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, offers themselves for re-election:
   a) Mr. Ong Ju Yan **Ordinary Resolution 4**
   b) Dato' Saiful Bahri bin Zainuddin **Ordinary Resolution 5**
   c) Mr. Leong Keng Yuen **Ordinary Resolution 6**

6. To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 7**

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS** **Ordinary Resolution 8**

"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 and to such person or persons 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 pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016, 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."

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 9**

"THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad as the Directors may deem fit and expedient in the interest of the Company, provided that:

(a) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed 10 percent (10%) of the total number of issued shares of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase(s);

(b) the maximum fund to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the aggregate of the retained profits of the Company based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(c) the authority shall commence upon the passing of this Resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which this Resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the next Annual General Meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the members of the Company in a general meeting;

whichever occurs first;

Notice of Annual General Meeting

AND THAT upon completion of the purchase(s) by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:

(a) to cancel all the ordinary shares so purchased;

(b) to retain the ordinary shares so purchased in treasury for distribution as dividend to the members and/or resale 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."

9. 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 2023, if approved by the shareholders at the 34th Annual General Meeting, will be payable on 17 May 2024 to shareholders whose names appear in the Register of Members or Record of Depositors on 23 April 2024.

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 19 April 2024 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 23 April 2024 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
20 March 2024

Notice of Annual General Meeting

NOTES:

1. General Meeting Records of Depositors and Register of Members

In respect of deposited securities, only members whose names appear in the Register of Members and Record of Depositors as at 8 April 2024 shall be eligible to attend, speak and vote at the Meeting.

2. Broadcast Venue

(a) The Meeting will be conducted on a virtual basis by way of live streaming and online remote voting through Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform (https://sshsb.net.my/). Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.

(b) The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 71 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

With the RPV facilities, members and proxies are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members and proxies shall communicate with the broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The Chairman and Board of Directors shall endeavour to respond to all questions and/or remarks submitted by members and proxies during the Meeting.

3. Appointment of Proxy

(a) 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.

(b) 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.

(c) 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.

(d) Where a Member of the Company is an Authorised Nominee, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares standing in credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

Notice of Annual General Meeting

4. 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
- The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

(b) By Electronic Form of Proxy
- The proxy form shall be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to eservices@sshsb.com.my; or
- The proxy form to be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Notes for further details.

5. 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 22 February 2024 agreed that the proposed Directors' fee and benefits payable to the Non-Executive Directors are as follows:

Annual Directors' Fee

Description	Chairman	Members
Board of Directors	–	RM65,000
Audit Committee	RM10,000	–
Risk Management Committee	RM5,000	–
Nomination and Remuneration Committee	RM5,000	–
Sustainability Committee	RM5,000	–

On 16 January 2024, the Board approved the establishment of the Sustainability Committee to advance the Company and its subsidiaries' (the "Group") direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group. Accordingly, the fees payable for the Chairman of the Sustainability Committee effective 16 January 2024, will be paid if Ordinary Resolution 2 is passed at the 34th Annual General Meeting.

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 19 April 2024, being the day after the 34th Annual General Meeting until the next Annual General Meeting and other benefits.

Notice of Annual General Meeting

In the event that the proposed Directors' benefits payable during the above period exceed the estimated amount sought at the 34th Annual General Meeting, approval will be sought at the next Annual General Meeting for additional Directors' benefits payable to meet the shortfall, prior to the payment being made.

Abstention from Voting

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on this Resolution concerning their own remuneration at the 34th Annual General Meeting.

(c) Ordinary Resolutions 4, 5 and 6 – Re-election of Directors

The performance, effectiveness and independence (as the case may be) of each Director who is recommended for re-election have been assessed through the Board annual evaluation. The Nomination and Remuneration Committee has also conducted an assessment on the fitness and properness of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Fit and Proper Policy of the Company. The Nomination and Remuneration Committee and the Board are satisfied with the performance, effectiveness, fitness and independence (as the case may be) of Mr. Ong Ju Yan, Dato' Saiful Bahri bin Zainuddin and Mr. Leong Keng Yuen who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 34th Annual General Meeting.

The profiles of Directors who are standing for re-election are set out in the Directors' Profile of Integrated Annual Report 2023.

(d) Ordinary Resolution 7 – Re-appointment of Auditors

The Audit Committee ("AC") at its meeting held on 21 February 2024 undertook an annual assessment of the suitability and independence of the external auditors, Messrs. BDO PLT.

The AC was satisfied with the suitability of Messrs. BDO PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by Messrs. BDO PLT to the Company for the financial year ended 31 December 2023 did not in any way impair their objectivity and independence as external auditors of the Company.

The Board at its meeting held on 22 February 2024 approved the AC's recommendation for the shareholders' approval to be sought at the 34th Annual General Meeting on the re-appointment of Messrs. BDO PLT as external auditors of the Company for the financial year ending 31 December 2024 under Ordinary Resolution 7 in accordance with Section 340(1)(c) and Section 271(4) of the Companies Act 2016.

(e) Ordinary Resolution 8 – Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights

This is the renewal of the mandate obtained from the members at the last Annual General Meeting held on 18 April 2023 ("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.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 14 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. Thus, a waiver is required.

Notice of Annual General Meeting

The following are excerpted from the Companies Act 2016 and the Company's Constitution:

Section 85(1) of the Companies Act 2016	Clause 14 of the Company's Constitution
Pre-Emptive Rights to New Shares Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.	Issuance of New Shares Subject to any direction to the contrary that may be given by the Company in general meeting, all new Shares or Convertible Securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Security which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(f) Ordinary Resolution 9 – 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 2023, the Company's retained profits amounted to RM1,659 million.

Please refer to the Share Buy-Back Statement dated 20 March 2024 for further information.

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No. of Ordinary Shares held	
CDS Account No.	
Telephone No.	
Email Address	

FORM OF PROXY

OSK HOLDINGS BERHAD

199001015406 (207075-U)
(Incorporated in Malaysia)

*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 34th Annual General Meeting of the Company to be held on a virtual basis through Remote Participation and Voting facilities provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal (https://sshsb.net.my/) from the Main Auditorium, 11th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan as the broadcast venue on Thursday, 18 April 2024 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.	Resolutions	For	Against
Ordinary Resolution 1	To sanction the declaration of a single-tier final dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023.		
Ordinary Resolution 2	To approve the payment of Directors' fees to the Non-Executive Directors for the period from 19 April 2024 (unless otherwise stated) until the next Annual General Meeting of the Company.		
Ordinary Resolution 3	To approve the payment of Directors' benefits up to an amount of RM150,000 to the Non-Executive Directors of the Company for the period from 19 April 2024 until the next Annual General Meeting of the Company.		
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.		
Ordinary Resolution 5	To re-elect Dato' Saiful Bahri bin Zainuddin who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
Ordinary Resolution 6	To re-elect Mr. Leong Keng Yuen who retires by rotation in accordance with Clause 99 of the Company's Constitution and being eligible, offers himself for re-election.		
Ordinary Resolution 7	To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 8	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights.		
Ordinary Resolution 9	Proposed Renewal of Share Buy-Back Authority.		

Signed this __________ day of ____________, 2024

____
Signature of Shareholder(s)^

^ Manner of execution:
(a) If you are an individual shareholder, please sign where indicated.
(b) If you are a corporate shareholder which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate shareholder which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your corporation (if any) and executed by:
 (i) at least two (2) authorised officers, of whom one shall be a director; or
 (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. **General Meeting Records of Depositors and Register of Members**
   In respect of deposited securities, only members whose names appear in the Register of Members and Record of Depositors as at 8 April 2024 shall be eligible to attend, speak and vote at the Meeting.

2. **Broadcast Venue**
   (a) The Meeting will be conducted on a virtual basis by way of live streaming and online remote voting through Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/. Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.
   (b) The broadcast venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 71 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members and proxies will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

   With the RPV facilities, members and proxies are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members and proxies shall communicate with the broadcast venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The Chairman and Board of Directors shall endeavour to respond to all questions and/or remarks submitted by members and proxies during the Meeting.

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3. **Appointment of Proxy**
   (a) 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.
   (b) 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.
   (c) 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.
   (d) 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.

4. **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
   - The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

   (b) By Electronic Form of Proxy
   - The proxy form shall be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to eservices@sshsb.com.my; or
   - The proxy form to be submitted electronically via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Notes for further details.

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 https://www.oskgroup.com)

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AFFIX STAMP

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

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OSK

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

21st Floor, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
Tel: (603) 2177 1999 Fax: (603) 2026 6331

www.oskgroup.com