



OCR Group Berhad
(Registration No: 199701025005 (440503-K))
(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 December 2022

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year To Date 31.12.2021 RM'000
Revenue		57,838	14,657	208,354	44,803
Cost of sales		(52,630)	(8,211)	(183,783)	(46,707)
Gross profit/(loss)		5,208	6,446	24,571	(1,904)
Other income		359	232	1,765	811
Other operating expenses		(868)	(558)	(2,410)	(1,482)
Administrative expenses		(4,104)	(2,909)	(13,497)	(17,962)
Finance costs		(858)	(1,334)	(4,779)	(5,392)
Share of loss from associate		(1)	(26)	(4)	(3)
Profit/(loss) before tax		(264)	1,851	5,646	(25,932)
Income tax expenses	B5	(214)	(1,251)	(214)	(1,466)
Profit/(loss) after taxation for the financial period		(478)	600	5,432	(27,398)
Other comprehensive income/(loss)					
Fair value gain of equity instruments designated at fair value through other comprehensive income/(loss)		178	1,317	198	1,223
Total comprehensive income/(loss) for the financial period	B11	(300)	1,917	5,630	(26,175)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 December 2022 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year To Date 31.12.2021 RM'000
Profit/(loss) after taxation attributable to:					
Owners of the Company		(4,695)	112	(8,060)	(25,923)
Non-Controlling Interests		4,217	488	13,492	(1,475)
		(478)	600	5,432	(27,398)
Total comprehensive income/(loss) attributable to:					
Owners of the Company	B11	(4,517)	1,429	(7,862)	(24,700)
Non-Controlling Interests		4,217	488	13,492	(1,475)
		(300)	1,917	5,630	(26,175)
Loss per share ("LPS") (in sen)					
- Basic	B10	(0.51)	0.02	(0.89)	(4.71)
- Diluted	B10	(0.51)	0.02	(0.89)	(4.68)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Financial Position
As at 31 December 2022

	Note	As at 31.12.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		141	344
Other investments		5,425	5,227
Property, plant and equipment		6,382	2,993
Investment property		25,541	22,529
Right-of-use asset		10,641	11,070
Inventories		27,685	27,694
Trade and other receivable		18,877	19,436
		94,692	89,293
Current Assets			
Inventories		166,990	161,216
Contract Cost		8,056	7,610
Trade and other receivables		175,771	113,635
Contract assets		18,278	35,325
Current tax assets		462	106
Cash and cash equivalents		23,426	30,932
		392,983	348,824
TOTAL ASSETS		487,675	438,117
EQUITY AND LIABILITIES			
Share capital		244,458	211,100
Reserves		(61,616)	(53,975)
Shareholders' funds		182,842	157,125
Non-controlling interests		15,351	140
TOTAL EQUITY		198,193	157,265
Non-Current Liabilities			
Lease liabilities	B7	2,802	479
Loans and borrowings	B7	47,557	67,573
Trade payables		21,220	26,598
		71,579	94,650
Current Liabilities			
Lease liabilities	B7	1,105	127
Loans and borrowings	B7	86,101	54,275
Trade and other payables		128,762	127,552
Current tax liabilities		156	1,389
Contract liabilities		1,779	2,859
		217,903	186,202
TOTAL LIABILITIES		289,482	280,852
TOTAL EQUITY AND LIABILITIES		487,675	438,117
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.18	0.23

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 December 2022

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

<-----Non-Distributable-----> Distributable

	Share Capital	Warrants Reserve	Share Option Reserve	Irredeemable Convertible Preference Shares (‘ICPS’)	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Balance as at 1 January 2022	211,100	-	739	-	(54,714)	157,125	140	157,265
Profit after taxation	-	-	-	-	(8,060)	(8,060)	13,492	5,432
Total comprehensive income for the period	-	-	-	-	198	198		198
Transaction with owners of the company:	-	-	-	-	-	-	-	-
Issuance of ordinary share pursuant to:	-	-	-	-	-	-	-	-
exercise of	-	-	-	-	-	-	-	-
- Warrant D	-	-	-	-	-	-	-	-
- Private Placement	21,813	-	-	-	-	21,813	-	21,813
Share options lapsed	-	-	(347)	-	347	-	-	-
Share options issued	-	-	221	-	-	221	-	221
Share issued on the acquisition of a subsidiary	11,545	-	-	-	-	11,545	-	11,545
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	1,719	1,719
Balance as at 31 December 2022	244,458	-	613	-	(62,229)	182,842	15,351	198,193

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity
 For the financial period ended 31 December 2022 (Cont'd)

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

<-----Non-Distributable -----> Distributable

	Share Capital RM'000	Warrants Reserve RM'000	Share Option Reserve RM'000	Irredeemable Convertible Preference Shares (‘ICPS’) RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2021 (Restated)	156,003	890	444	15,802	(31,130)	142,009	(676)	141,333
Loss after taxation	-	-	-	-	(25,923)	(25,923)	(1,475)	(27,398)
Total comprehensive income for the period	-	-	-	-	1,223	1,223	-	1,223
Exercised of Warrant: - Expired of Warrant C	-	(890)	-	-	890	-	-	-
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of								
- ICPS	15,802	-	-	(15,802)	-	-	-	-
- Private Placement	21,881	-	-	-	-	21,881	-	21,881
- Acquisition of subsidiaries	17,414	-	-	-	-	17,414	-	17,414
Share options lapsed	-	-	(226)	-	226	-	-	-
Share options issued	-	-	521	-	-	521	-	521
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	2,291	2,291
Balance as at 31 December 2021	211,100	-	739	-	(54,714)	157,125	140	157,265

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 December 2022

	Current Year to date 31.12.2022 RM'000	Preceding Year to date 31.12.2021 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	5,646	(25,932)
Adjustments for:		
Non-cash items	1,610	5,039
Non-operating items	4,754	5,538
<i>Operating profit before working capital changes</i>	12,010	(15,355)
Net change in current assets	(67,168)	18,824
Net change in current liabilities	(6,681)	(13,809)
<i>Cash used in operations</i>	(61,839)	(10,340)
Interest Paid	(4,907)	(5,356)
Interest received	374	353
Tax paid	(1,803)	(2,004)
<i>Net cash used in operating activities</i>	(68,175)	(17,347)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5,386)	(2,325)
Investment in quoted shares	-	(4,004)
Decrease in pledged fixed deposits with licensed banks	(327)	(295)
Proceeds from disposal of right-of-use asset	430	243
Proceeds from disposal of investment property	1,800	-
Acquisition of subsidiaries, net of cash and cash equivalents	26,901	(870)
<i>Net cash from/(used in) investing activities</i>	23,418	(7,251)
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	21,813	21,881
Drawdown of bank borrowings	50,948	29,080
Repayment of bank borrowings	(33,441)	(33,353)
<i>Net cash from financing activities</i>	39,320	17,608
<i>Net cash (decreased)/increased in cash and cash equivalents</i>	(5,437)	(6,990)
<i>Cash and cash equivalents at beginning of the financial year</i>	(2,379)	4,611
<i>Cash and cash equivalents at end of the financial period</i>	(7,816)	(2,379)



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Condensed Consolidated Statement of Cash Flows
For the period ended 31 December 2022 (Cont'd)

	Current Year to date 31.12.2022 RM'000	Preceding Year to date 31.12.2021 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	19,237	18,910
Cash and bank balances	4,189	12,022
Bank overdrafts	(12,005)	(14,401)
	11,421	16,531
Less: Fixed deposit pledged to licensed banks	(19,237)	(18,910)
	7,816	(2,379)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2021.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the latest audited financial statements for the financial year ended 31 December 2021, except for the adoption of the new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards.

(a) Adoption of amendments/improvement to MFRSs

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

<u>Amendments/Improvements to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^]
MFRS 3 Business Combinations	1 January 2022
MFRS 9 Financial Instruments	1 January 2022 [^]
MFRS 116 Property, Plant and Equipment	1 January 2022
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
MFRS 141 Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRS Standards 2018 - 2020*

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation (cont'd)

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

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statement of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

2. Status of Audit Qualifications

The audited financial statements of the Group for the financial year ended 31 December 2021 was not subject to any audit qualification.

3. Seasonality or Cyclicity of Operations

There were no material seasonal or cyclical factors that have affected the financial performance of the Group.

4. Unusual Items

Save for the information disclosed in this interim financial report, there are no unusual items affecting assets, liabilities, equity, net income, or cash flows.

5. Changes in Estimates

There were no significant changes in the estimates of amounts reported during this quarter and in prior quarters or prior financial year that have a material effect on the current quarter.

6. Issuances, Cancellation, Repurchases, Resale & Repayments of Debts and Equity Securities

During the financial period ended 31 December 2022, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 204,000,000 new ordinary shares at an average price of RM 0.1069 per ordinary share via private placement to eligible investors for a total cash consideration of RM21,813,000 for working capital purpose.
- (ii) an issuance of 1,711 new ordinary shares from the exercise of Warrant D at the exercise price of RM 0.22 per warrant.
- (iii) an issuance of 104,953,197 new ordinary shares at a price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd.

Save for the above, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the financial period-to-date.

7. Dividend

There were no dividends paid during the current quarter.



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**PART A,
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

8. Segment Information

The following is an analysis of the consolidated revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 31 December 2022:

31 December 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	23,400	36,031	1,625	(3,218)	57,838
Segment Results (EBITDA)	4,148	(909)	(322)	(1,793)	1,124
Finance Cost	(236)	(422)	(200)	-	(858)
Depreciation and Amortisation	(398)	(115)	(17)	-	(530)
Consolidated Profit Before Tax	-	-	-	-	(264)
ASSETS	-	-	-	-	-
<i>Segment Assets</i>	77,803	389,060	271,517	(250,705)	487,675
LIABILITIES					
<i>Segment Liabilities</i>	41,507	237,996	36,832	(26,853)	289,482
OTHER INFORMATION					
<i>Capital Expenditure</i>					
<i>Depreciation and Amortisation</i>	963	-	-	-	963
<i>Other Non-Cash Expenses</i>	398	115	17	-	530

31 December 2021	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	942	15,545	1,550	(3,380)	14,657
Segment Results (EBITDA)	161	1,084	1,246	980	3,471
Finance Cost	(225)	(937)	(172)	-	(1,334)
Depreciation and Amortisation	(44)	(185)	(57)	-	(286)
Consolidated Profit Before Tax					1,851
ASSETS					
<i>Segment Assets</i>	98,879	313,504	210,584	(189,871)	433,096
LIABILITIES					
<i>Segment Liabilities</i>	94,718	323,894	44,423	(187,205)	275,830
OTHER INFORMATION					
<i>Capital Expenditure</i>	2,869	-	68	-	2,937
<i>Depreciation and Amortisation</i>	44	185	57	-	286
<i>Other Non-Cash Expenses</i>	-	-	-	-	-



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PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

9. Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the reporting period up to 22 February 2023, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 31 December 2022.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 December 2022.

12. Changes in Contingent Liabilities or Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities for the Group as at 22 February 2023, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

The changes in contingent liabilities of the Company are as follows: -

	Company	
	As at	As at
	31.12.2022	31.12.2021
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	118,361	99,848

There were no contingent assets since the date of the latest audited financial statements.

13. Capital Commitments

There were no capital commitments in the current quarter under review.



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PART A

EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

14. Significant Inter Company and Related Party Transactions

	Group	
	Current	Preceding
	Year To Date	Year To Date
	31.12.2022	31.12.2021
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	53,633	15,382
Marketing fee to a company which has substantial financial interest	1,002	6,138
Subcontractor fee to a company which has substantial financial interest	66,238	1,748

The Directors are of the opinion that all inter-segment transactions have been entered into the normal courses of business and are based on negotiated terms.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS

1. Detailed Analysis of the Performance of all Operating Segments

	Individual Quarter		Cumulative Period	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	57,838	14,657	208,354	44,803
Profit/(Loss) before tax	(264)	1,851	5,646	(25,932)

The revenue of RM57.8 million in the current quarter and RM208.4 million in cumulative period were contributed by both the property development and construction segments.

Higher revenue and profit before tax were mainly driven by higher property sales and higher progress revenue recognised across the Group's existing on-going projects.

Further Analysis by Segments

Property Development Segment

• **Current Quarter:**

The current period quarter revenue was contributed mainly by the project progress recognition from Priya Kuantan of RM18.6 million, The Mate at Damansara Jaya of RM4.6 million and OCR PARC Industrial Selayang of RM30.5 million respectively.

The increase in revenue compared to preceding period quarter was largely attributed to the increase in revenue from Priya Kuantan by RM12.1 million and OCR PARC Industrial Selayang by RM30.5 million respectively.

The increase in profit before tax was in line with the increase in revenue in the current quarter.

• **Year to Date:**

Year to date's revenue was contributed mainly by the project progress recognition from Priya Kuantan of RM66.3 million, The Mate at Damansara Jaya of RM6.9 million and OCR PARC Industrial Selayang of RM105.2 million respectively.

The increase in revenue compared to preceding period was largely attributed to the increase in revenue from Priya Kuantan by RM38.6 million and OCR PARC Industrial Selayang by RM105.2 million respectively.

The increase in profit before tax was in line with the increase in revenue in the current year to date.



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Construction Segment

YOLO Signature Suites at Bandar Sunway is the main contributor to the segment’s revenue both in the current quarter and current year to date, which reported a RM22.5 million increase in revenue in the current quarter compared to the preceding period corresponding quarter and RM39.6 million increase in revenue in the current year to date period compared to preceding period.

The increase in profit before tax was in line with the increase in revenue in the current quarter.

2. Comments on Material Changes in the Profit Before Tax for the Quarter Reported as Compared with the Preceding Quarter

	Individual Quarter	
	31.12.2022	30.09.2022
	RM’000	RM’000
Revenue	57,838	56,434
Profit before tax	(264)	817

The Group’s revenue increased from RM 56.4 million in the immediate preceding quarter to RM54.1 million in the current quarter mainly due to slower construction progress in OCR PARC Industrial Selayang.

The Group recorded loss before tax of RM 3.9 million for the current quarter as compared to profit before tax of RM 0.8 million in the immediate preceding quarter. The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments.

PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT’D)

3. Current Year Prospects

Bank Negara Malaysia reported a 8.7% growth in 2022 for Malaysia’s domestic economy driven mainly by domestic demand, growth in private consumption and investment and has projected a moderate growth of 4% - 5% in 2023 for Malaysia amidst the concerns of the impact of heightened interest rate to curb inflation, prolonged geopolitical tensions and persistent supply chain disruptions across the globe.

The domestic property sector remains challenging in high interest rate environment, reduced purchasing power amidst creeping inflation and an overhang of property in the property sectors in which we operate.

Accordingly, the Group continues its focus on clearing unsold units and inventory and ensuring timely delivery of its existing projects, following the recovery from the Covid-19 pandemic which disrupted work progress. We are on track to deliver vacant possession for Priya Kuantan in the first quarter of 2023.



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The upcoming residential launches spans across diversified property classes and locations from affordable housing in Shah Alam to low density sub-urban condominiums in the matured enclave of Damansara targeted at families provides and the condominiums in the rapidly urbanized Kuantan town. These pipeline launches coupled with the Group's maiden foray into integrated e-commerce logistics hub provides a platform for diversification of property segments and property class while building a platform for diversified sustainable earnings for the Group in the years ahead. The launches will be phased in accordance with the market demand. In addition, the Group continues to take measures in cost efficiency building our competency in cost management, especially in the environment where shortage of labour and supply chain disruptions have resulted in price escalation of construction materials.

4. Variances Between Actual Profit and Forecast Profit

There was no profit forecast made public for the financial period under review.

5. Income Tax Expenses

	Group	
	Current	Preceding
	Year to date	Year to date
	31.12.2022	31.12.2021
	RM'000	RM'000
Income tax	214	216
Deferred tax	-	1,250
Income tax expenses	214	1,466
Effective tax rate	3.79%	5.65%

The Group's effective tax rate is lower than the statutory income tax rate due to losses from certain subsidiaries within the Group in the quarter under review.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

6. Corporate Proposals

There were no corporate proposals announced but not completed as at 22 February 2023, being the last practicable date from the date of the issue of this report, except the following:

(a) Status of Utilisation of Proceeds

On 17 November 2021, the Company had obtained shareholders' approval in relation to the proposed allotment and issuance of up to 206,352,000 new ordinary shares.

The private placements were initiated on 19 January 2022, 20 January 2022, 22 June 2022 and 7 September 2022 following the listing and quotation for a total of 204,000,000 new ordinary shares at an average price of RM 0.1069 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 21.83 million.

The status of the utilization of proceeds arising from the private placement as at 22 February 2023:-

Utilisation of proceeds	Expected timeframe	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	20,890	20,890 ⁽¹⁾	-
(ii) Expenses for the Private Placement 30%	Upon completion of the Private Placement 30%	250	250	-
(iii) Expenses incurred for the acquisition of Stack Builder Sdn Bhd and Wonderland Projects Sdn Bhd	Upon completion of the acquisition	690	690	-
Total		21,830	21,830	-

Note:-

(1) *The proceeds have been utilised for several projects namely ISOLA at KLCC, PRIYA at Kuantan, The Mate at Damansara Jaya, Vertex at Kuantan City Centre and YOLO Signature Suite.*



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

7. Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period are as follows: -

	As at 31.12.2022 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	10,477
- Revolving credit	23,621
- Term loan	47,160
- Trust receipt	4,806
	86,101
Non-current liabilities	
- Term loan	46,029
- Bank overdrafts	1,528
	47,557
Unsecured:	
Current liabilities	
- Lease liabilities	1,105
	1,105
Non-current liabilities	
- Lease liabilities	2,802
	2,802
Total Borrowings	137,269

The portion of borrowings that is repayable within one year is included in current liabilities. Whereas, the portion that is repayable after the next 12 months is included in long-term liabilities.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 22 February 2023, except the following:

Shah Alam High Court Civil Suit No. BA-24NCC-122-08/2019 between Ismail bin Othman as the Plaintiff and Duta Skyline Sdn Bhd (“DSSB”) & Amazing Symphony Sdn Bhd (“ASSB”) as the Defendants

ASSB, a wholly-owned subsidiary of the Company, had entered into a joint venture agreement dated 22 April 2019 with DSSB (“**JVA**”) for the purpose of the development of a parcel of freehold land held under GRN 23940, Lot 613, Mukim Ulu Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan, measuring approximately 501.5 acres owned by DSSB (“**Lot 613 Land**”). Pursuant thereto, DSSB had also executed an irrevocable limited power of attorney in favour of ASSB (“**Power of Attorney**”).

On 28 August 2019, Ismail Bin Othman, one of the Directors of DSSB (“**Plaintiff**”), filed an originating summons (“**OS**”) against DSSB (being the first defendant) and ASSB (being the second defendant) at the Shah Alam High Court, where the Plaintiff sought, amongst others:-

- (i) a declaration that the JVA is null and void ab initio and of no effect whatsoever; and
- (ii) as a consequence of the above, an order that the Power of Attorney be revoked and/or cancelled.

The Plaintiff had also filed an application for injunction dated 28 August 2019 to, amongst others, restrain both DSSB and ASSB from acting upon and/or giving effect in any manner to the JVA and the Power of Attorney and dealing with the Lot 613 Land (“**Injunction Application**”).

AASB and DSSB filed an application to strike out the OS on 20 September 2019 and 24 September 2019 respectively (“**Striking Out Applications**”).

On 4 October 2021, the Plaintiff has put in an application for stay of all the proceedings (“**Stay Application**”). During the case management on 11 January 2022, the Court has fixed the hearing in respect of the Stay Application, OS, Striking Out Applications and Injunction Application on 8 March 2022.

After hearing parties on 8 March 2022, the Judge allowed the Stay Application and ordered that the proceedings be stayed until the grounds of judgment (“**GOJ**”) of Kuala Lumpur High Court, Civil Suit No.: WA-22NCC-603-10/2019 (“**Suit 603**”) is ready.

On 27 May 2022, the Court has dismissed the first and second Defendants’ application for striking out in Enclosures 13 and 18 respectively and allowed the Plaintiff’s application for injunction in Enclosure 3 and the Originating Summons in Enclosure 1 with costs to be paid by each Defendant.

Further to the Court’s decisions on 27 May 2022, AASB has on 13 June 2022 filed the Notice of Appeal to appeal against the said decisions.

Parties are required to file written submissions, executive summary and common core bundle on or before 22 April 2023 and submission in reply (in any) on or before 7 May 2023. The appeal is fixed for hearing on 22 May 2023.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

9. Dividend

No dividend has been proposed for the financial period under review.

10. Loss Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year Period 31.12.2021 RM'000
(a) Basic loss per ordinary share				
Net loss attributable to the owners for the period	(4,695)	112	(8,060)	(25,923)
Weighted average number of ordinary shares issued ('000)	681,043	455,933	681,043	455,933
Effects of: -				
- Private placement ('000)	137,793	70,060	137,793	70,060
- ICPS ('000)	-	15,264	-	15,264
- Warrant D ('000)	2	-	2	-
- Acquisition of subsidiaries	86,263	9,040	86,263	9,040
Weighted average number of ordinary shares in issue ('000)	905,101	550,297	905,101	550,297
Basic loss per ordinary share (sen)	(0.51)	0.02	(0.89)	(4.71)

(b) Diluted loss per ordinary share

The basic and diluted loss per ordinary shares is the same as the Company has no diluted potential ordinary shares. The outstanding ESOS are anti-dilutive as the average market price of the Company's shares is lower than the exercise price of the ESOS.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year Quarter 31.12.2022 RM'000	Current Year to date 31.12.2022 RM'000
Interest income	(108)	(374)
Interest expense	986	4,907
Depreciation	456	1,882
Rental expenses	131	513
Rental income	(65)	(251)

12. Fair Value Changes for Financial Liabilities

There were no gains/losses arising from fair value changes for financial liabilities for the current quarter and financial year-to-date under review.

By order of the Board
OCR Group Berhad

Ong Kah Hoe
Group Managing Director
28 February 2023