



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 2021

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2021 RM'000	Preceding Year Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year To Date 31.12.2020 RM'000
Revenue		14,657	27,253	44,792	72,994
Cost of sales		(8,211)	(23,820)	(46,707)	(62,258)
Gross profit/(loss)		6,446	3,433	(1,915)	10,736
Other income		232	3,792	824	4,829
Other operating expenses		(558)	(506)	(1,482)	(1,152)
Administrative expenses		(2,909)	(2,787)	(17,920)	(10,105)
Finance costs		(1,334)	(418)	(5,392)	(1,602)
Share of loss from associate		(26)	(270)	(47)	(391)
Profit/(Loss) before tax		1,851	3,244	(25,932)	2,315
Income tax expenses	B5	(1,251)	(1,491)	(1,466)	(1,947)
Profit/(Loss) after taxation for the financial period		600	1,753	(27,398)	368
Other comprehensive income/(loss)					
Fair value gain of equity instruments designated at fair value through other comprehensive income		277	-	1,223	-
Total comprehensive income/(loss) for the financial period	B11	877	1,753	(26,175)	368

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2021 RM'000	Preceding Year Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year To Date 31.12.2020 RM'000
Income/(Loss) after taxation attributable to:					
Owners of the Company		112	2,272	(25,922)	805
Non-Controlling Interests		488	(519)	(1,476)	(437)
		600	1,753	(27,398)	368
Total comprehensive income/(loss) attributable to:					
Owners of the Company	B11	389	2,272	(24,699)	805
Non-Controlling Interests		488	(519)	(1,476)	(437)
		877	1,753	(26,175)	368
Earnings/(Loss) per share ("EPS") (in sen)					
- Basic	B10	0.02	0.61	(4.71)	0.22
- Diluted	B10	0.02	0.53	(4.68)	0.19

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*Condensed Consolidated Statement of Financial Position
As at 31 December 2021*

	Note	As at 31.12.2021 (Unaudited) RM'000	As at 31.12.2020 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		345	392
Investment in quoted shares		5,227	-
Property, plant and equipment		3,646	1,312
Investment property		22,528	1,771
Right-of-use asset		11,070	11,534
Inventories		106,713	29,788
Other receivable		14,709	14,709
Deferred Tax Asset		-	1,250
		164,238	60,756
Current Assets			
Inventories		81,621	97,003
Contract Cost		7,610	8,654
Trade and others receivables		116,036	103,666
Contract assets		32,553	58,631
Current tax assets		106	16
Cash and cash equivalents		30,932	35,593
		268,858	303,563
TOTAL ASSETS		433,096	364,319
EQUITY AND LIABILITIES			
Share capital		211,100	156,003
Irredeemable convertible preference shares		-	15,802
Reserves		(53,616)	(22,084)
Shareholders' funds		157,484	149,721
Non-controlling interests		(218)	(1,002)
TOTAL EQUITY		157,266	148,719
Non-Current Liabilities			
Long-term bank borrowings	B7	76,779	45,388
Deferred tax liabilities		179	179
Other payable		25,842	28,149
		102,800	73,716
Current Liabilities			
Trade and other payables		121,901	94,923
Short-term borrowings	B7	45,954	42,604
Current tax liabilities		1,305	3,089
Contract liabilities		3,870	1,268
		173,030	141,884
TOTAL LIABILITIES		275,830	215,600
TOTAL EQUITY AND LIABILITIES		433,096	364,319
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.23	0.33

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021*

	<-----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 2021	156,003	890	444	15,802	(23,418)	149,721	(1,002)	148,719
Effect of adoption of IAS 23	-	-	-	-	(7,355)	(7,355)	(31)	(7,386)
Balance as at 1 January 2021 (Restated)	156,003	890	444	15,802	(30,773)	142,366	(1,033)	141,333
Loss after taxation	-	-	-	-	(25,922)	(25,922)	(1,476)	(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
Share options lapsed	-	-	(226)	-	226	-	-	-
Share options issued	-	-	522	-	-	522	-	522
Share issued on the acquisition of subsidiaries	7,560	-	-	-	-	7,560	-	7,560
Share issued on the settlement of shareholders' advances	9,854	-	-	-	-	9,854	-	9,854
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	2,291	2,291
Balance as at 31 December 2021	211,100	-	740	-	(54,356)	157,484	(218)	157,266

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 2020 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 2021 (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 2020 (restated)	119,321	890	-	27,637	(24,232)	123,616	(554)	123,062
Profit after taxation/ Total comprehensive Income/ (expenses) for the period	-	-	-	-	814	814	(448)	366
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
exercise of								
- ICPS	11,835	-	-	(11,835)	-	-	-	-
- Warrant D	628	-	-	-	-	628	-	628
- Private Placement	24,219	-	-	-	-	24,219	-	24,219
Share options issued	-	-	444	-	-	444	-	444
Balance as at 31 December 2020	156,003	890	444	15,802	(23,418)	149,721	(1,002)	148,719

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 2020 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 2021

	Current Year to date 31.12.2021 RM'000	Preceding Year to date 31.12.2020 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(25,932)	2,315
Adjustments for:		
Non-cash items	1,189	(1,771)
Non-operating items	5,687	1,334
<i>Operating profit before working capital changes</i>	(19,056)	1,878
Net change in current assets	28,949	(23,766)
Net change in current liabilities	(19,647)	6,371
<i>Cash used in operations</i>	(9,754)	(15,517)
Tax paid	(2,090)	(664)
<i>Net cash used in operating activities</i>	(11,844)	(16,181)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(2,937)	(379)
Investment in quoted shares	(4,004)	-
Decrease in pledged fixed deposits with licensed banks	(295)	(478)
Interest received	227	712
Proceeds from disposal of property, plant and equipment	245	-
Acquisition of subsidiaries, net of cash and cash equivalents	(872)	-
Acquisition of an associate	-	(400)
<i>Net cash used in investing activities</i>	(7,636)	(545)
Cash Flows from Financing Activities		
Interest paid	(5,392)	(1,602)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	21,881	24,219
-Warrant D	-	628
Drawdown of bank borrowings	5,026	5,142
Repayment of bank borrowings	(9,025)	(2,690)
<i>Net cash generated from financing activities</i>	12,490	25,697
<i>Net cash (decrease)/ increased in cash and cash equivalents</i>	(6,990)	8,971
<i>Cash and cash equivalents at beginning of the financial year</i>	4,611	(4,360)
<i>Cash and cash equivalents at end of the financial period</i>	(2,379)	4,611



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Condensed Consolidated Statement of Cash Flows
For the period ended 31 December 2021 (Cont'd)

	Current Year to date 31.12.2021 RM'000	Preceding Year to date 31.12.2020 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	18,910	18,615
Cash and bank balances	12,022	16,978
Bank overdrafts	(14,401)	(12,367)
	16,531	23,226
Less: Fixed deposit pledged to licensed banks	(18,910)	(18,615)
	(2,379)	4,611

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2020.

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 2020. The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 January 2021 did not have any significant impact on the interim financial statements upon their initial application.

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

<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 2022 [^] / 1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4 Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2021/ 1 January 2023 [#]
MFRS 9 Financial Instruments	1 January 2021/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 January 2021/ 1 January 2022 [^]
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107 Statements of Cash Flows	1 January 2023 [#]
MRRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023



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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)

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

	Effective for financial periods beginning on or after
MFRS 116 Property, Plant and Equipment	1 January 2022/ 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 2022/ 1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140 Investment Property	1 January 2023 [#]
MFRS 141 Agriculture	1 January 2022 [^]

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

[#] *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.

- (b) IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”)

In March 2019, the IFRIC has concluded that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets.

The MASB announced that non-private entities in the real estate industry might need to change their accounting policy as results of the IFRIC Agenda Decision. In ensuring consistent application of the MFRS, which are word-for-word the IFRS Standards, the MASB decided that an entity shall apply the change in accounting policy as results of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020 (“Mandatory Date”).

The Group has adopted the change in accounting policy on borrowing costs.



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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 2020 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 in the current quarter.

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

During the financial period ended 31 December 2021, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 31,603,837 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares (“ICPS”) with the conversion ratio of 10 ICPS to 1 new ordinary share at the exercise price of RM0.50;
- (ii) an issuance of 101,850,000 new ordinary shares at an issuance price of RM 0.2111 - RM 0.2187 per ordinary share via private placement to eligible investors for a total cash consideration of RM21,880,535 for working capital purpose.
- (iii) an issuance of 11,804,084 new ordinary shares at an issuance price of RM0.19 per ordinary share pursuant to the acquisition of Stack Builder on 26 November 2021.
- (iv) an issuance of 27,990,911 new ordinary shares at an issuance price of RM0.19 per Share pursuant to the acquisition of Wonderland on 26 November 2021;
- (v) an issuance of 51,861,647 new ordinary shares at an issuance price of RM0.19 per Share pursuant to the settlement of Wonderland’s advances on 26 November 2021;

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



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

7. Dividend

There were no dividends paid during the current quarter.

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 2021:

31 December 2021	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	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					
Segment Assets	98,879	313,504	210,584	(189,871)	433,096
LIABILITIES					
Segment Liabilities	94,718	323,894	44,423	(187,205)	275,830
OTHER INFORMATION					
Capital Expenditure	2,869	-	68	-	2,937
Depreciation and Amortisation	44	185	57	-	286
Other Non-Cash Expenses	-	-	-	-	-

31 December 2020	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	9,206	18,222	1,541	(1,716)	27,253
Segment Results (EBITDA)	3,022	(1,205)	1,666	513	3,996
Finance Cost	(184)	(58)	(176)	-	(418)
Depreciation and Amortisation	(41)	(209)	(84)	-	(334)
Consolidated Profit Before Tax					3,244
ASSETS					
Segment Assets	98,346	248,685	174,948	(157,660)	364,319
LIABILITIES					
Segment Liabilities	90,790	224,186	42,235	(141,611)	215,600
OTHER INFORMATION					
Capital Expenditure	333	-	224	-	557
Depreciation and Amortisation	41	209	84	-	334
Other Non-Cash Expenses	-	-	-	-	-



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

8. Segment Information (Cont'd)

GEOGRAPHICAL SEGMENT

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segments:

	Revenue by location of customers		Segments assets by location of assets		Capital expenditure by location of assets	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Malaysia	44,792	72,994	433,096	364,319	2,937	557
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	44,792	72,994	433,096	364,319	2,937	557

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 2022, 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 2021.

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 2021.



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

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 2022, 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 31.12.2021 RM'000	As at 31.12.2020 RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	99,848	66,970
	99,848	66,970

There were no contingent assets since the last annual balance sheet as at 31 December 2021.

13. Capital Commitments

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

14. Significant Inter Company and Related Party Transactions

	Group	
	Current Year To Date 31.12.2021 RM'000	Preceding Year To Date 31.12.2020 RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	15,382	19,604
Marketing fee to a company which has substantial financial interest	6,138	2,530
Subcontractor fee to a company which has substantial financial interest	1,748	434
	1,748	434

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	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Revenue	14,657	27,253	44,792	72,994
Profit/(Loss) before tax	1,851	3,244	(25,932)	2,315

The revenue of RM14.7 million in the current quarter and RM44.8 million in cumulative period were contributed by both the property development and construction segments.

Despite the coronavirus has mutated into concerning variants, the Government's proactive vaccine administration coupled with accommodative and substantial fiscal support has allowed gradual reopening of economic and social activities. This has resulted in increase of sales and construction activities, achieving an improved Profit before Tax of RM1.9 million during the quarter as compared to Loss before Tax of RM25.9 million in the previous quarter of the year.

Further Analysis by Segments

Property Development Segment

The revenue in the current and cumulative periods under review were derived from the sales by Isola at KLCC, PRIYA at Kuantan and The Mate at Damansara Jaya.

Construction Segment

The revenue in the current and cumulative period were recognised mainly for the YOLO Signature Suites at Bandar Sunway and Pano at Jalan Ipoh.

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

	Individual Quarter	
	31.12.2021 RM'000	30.09.2021 RM'000
Revenue	14,657	5,553
Profit/(Loss) before tax	1,851	(14,774)

The Group's revenue increased from RM5.6 million in the immediate preceding quarter to RM14.7 million in the current quarter. The Group recorded Profit before Tax of RM1.9 million for the current quarter as compared to Loss before Tax of RM14.8 million in the immediate preceding quarter.

This is in line with the gradual improvement in sales and site activities since the mid of September 2021. Operationally, the Group is also able to achieve better efficiency via enhanced management and control during the quarter reported.



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PART B

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

3. Current Year Prospects

The positive momentum for the Malaysian economy is expected to continue in 2022, supported by high-vaccination coverage and further normalization of economic activities. That said, new outbreaks of Coronavirus Disease 2019 (COVID-19), possible war and the prospect of a national general election are expected to cloud the outlook.

Construction activities has increased and continued to normalise albeit at a slower-than-expected rate, affected by the ongoing manpower and raw material challenges. Apart from actively managing the procurement and contractors processes, the Group has also taken the initiatives to leverage on innovative construction technologies to speed-up progress.

In terms of sales, the market is showing signs of positive recovery during the last quarter of 2021. With further easing of COVID-19 related restrictions, especially the re-opening of international borders soon, the Group expects sales momentum continues to improve.

Moving forward, the Group remains proactive but cautious on its approach during these uncertain times, and will continue to assess any potentially earnings-accretive opportunities.

4. Variances Between Actual Profit and Forecast Profit

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

5. Income Tax Expenses

	Group	
	Current	Preceding
	Year to date	Year to date
	31.12.2021	31.12.2020
	RM'000	RM'000
Income tax	216	675
Deferred tax	1,250	1,272
Income tax expenses	1,466	1,947
Effective tax rate	5.65%	84%



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PART B

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

5. Income Tax Expenses (Cont'd)

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.

6. Corporate Proposals

There were no corporate proposals announced but not completed as at 22 February 2022, being the last practicable date from the date of the issue of this report, except the following:

(a) Status of Corporate Proposals

OCR Selayang Industrial Park Sdn Bhd (Formerly known as Suong Sdn Bhd) ("OCR SELAYANG")

The Company had on 8 November 2021 entered into a conditional share sale agreement with Ong Kah Hoe and Lee Wei Jack (collectively, the "OCR Selayang Vendors") to acquire a total of 500,000 ordinary shares in OCR Selayang ("OCR Selayang Shares") ("Sale Shares"), representing 50% equity interest in OCR Selayang for an indicative purchase consideration of approximately RM14.12 million to be satisfied entirely via issuance and allotment of 104,953,197 new ordinary shares in OCR at the issue price of RM0.1345 per Consideration Share.

Bursa Securities had, vide its letter dated 21 January 2022, approved the listing and quotation of Consideration Shares, subject to the following conditions:

- i. Confirmation by RHB Investment Bank Berhad ("RHBIB") on the compliance of at least 25% of the public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") upon the listing and quotation of the Consideration Shares;
- ii. OCR and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisition of OCR Selayang;
- iii. OCR/ RHBIB to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders at extraordinary general meeting approving the Proposed Acquisition of OCR Selayang;
- iv. OCR and RHBIB to inform Bursa Securities upon the completion of the Proposed Acquisition of OCR Selayang; and
- v. OCR and RHBIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition of OCR Selayang is completed.

The circular to shareholders has been announced on 9 February 2021.

An Extraordinary General Meeting ("EGM") will be held on a fully virtual basis and entirely via remote participation and voting through an online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. on Thursday, 24 February 2022 at 3.00 p.m..



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

PART B

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

6. Corporate Proposals (Cont'd)

(b) Status of Utilisation of Proceeds

On 30 October 2020, the Company has proposed to undertake the proposed placement up to 20% of the total number of issued shares of the Company (excluding treasury shares) equivalent to 101,850,000 new ordinary shares.

The private placement has been completed on 18 May 2021, following the listing and quotation of 101,850,000 new ordinary shares at RM0.2111 to RM 0.21879 per placement share on the Main Market of Bursa Malaysia and successfully raised RM 21.88 million.

The status of the utilization of proceeds arising from the private placement as at 31 December 2021:-

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	21,845	⁽¹⁾ 21,845	-
(ii) Expenses for the Private Placement 20%	Upon completion of the Private Placement 20%	35	35	-
Total		21,880	21,880	-

Note:-

(1) *The proceeds have been utilised for several projects namely ISOLA @ KLCC, PRIYA, The Mate and YOLO Signature Suites.*

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

The first two tranches of private placement were initiated on 19 January 2022 and 20 January 2022 following the listing and quotation for a total of 102,000,000 new ordinary shares at RM0.1273 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 12.98 million.



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

PART B

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

6. Corporate Proposals (Cont'd)

(a) Status of Utilisation of Proceeds (Cont'd)

The status of the utilization of proceeds arising from the private placement as at 22 February 2022:-

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	12,045	⁽¹⁾ 6,645	5,400
(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		12,985	7,585	5,400

Note:-

(1) The proceeds have been utilised for several projects namely ISOLA @ KLCC, PRIYA, The Mate and YOLO Signature Suite.



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

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 31.12.2021 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	10,226
- Revolving credit	15,000
- Term loan	15,625
- Trust receipt	4,992
	<hr/> 45,843
Non-current liabilities	
- Term loan	72,110
- Bank overdrafts	4,175
	<hr/> 76,285
Unsecured:	
Current liabilities	
- Lease liabilities	111
	<hr/> 111
Non-current liabilities	
- Lease liabilities	494
	<hr/> 494
Total Borrowings	<hr/> 122,733

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.



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

PART B

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

7. Borrowings and Debt Securities (Cont'd)

The currency exposure profile of the Group's borrowings and other facilities are as follows:

	As at
	31.12.2021
	RM'000
Ringgit Malaysia	122,733

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 22 February 2022, 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) 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").

Pending the hearing of the Injunction Application, on 11 September 2019, the Court granted an ad interim injunction until 30 September 2019, subject to undertaking as to damages from the Plaintiff ("Ad Interim Injunction").

AASB and DSSB filed an application to strike out the OS on 20 September 2019 and 24 September 2019 respectively ("Striking-out Applications").

On 30 September 2019, the Plaintiff was granted an extension of the Ad Interim Injunction until 14 October 2019, subject to undertaking as to damages.



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

PART B

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

8. Material Litigation (Cont'd)

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

The Plaintiff was subsequently granted with another extension of the Ad Interim Injunction until the disposal of the Injunction Application and Striking-out Applications, subject to undertaking as to damages.

On 4 October 2021, the Plaintiff has put in an application for stay of all the proceedings. During the case management on 11 January 2022, the Court has fixed the next hearing in respect of the Plaintiff's application for stay of proceedings on 8 March 2022.

9. Dividend

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

10. Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Period 31.12.2020 RM'000
(a) Basic earnings/(loss) per share				
Net earnings/(loss) for the period	112	2,272	(25,922)	805
Weighted average number of ordinary shares issued ('000)	455,933	330,809	455,933	330,809
Effects of: -				
- Private placement ('000)	70,060	25,699	70,060	25,699
- ICPS ('000)	15,264	12,619	15,264	12,619
- Warrant D ('000)	-	1,642	-	1,642
- Effect of corporate proposal	9,040	-	9,040	-
Weighted average number of ordinary shares in issue ('000)	550,297	370,769	550,297	370,769
Basic earnings/(loss) per share (sen)	0.02	0.61	(4.71)	0.22



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

PART B

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

10. Earnings Per Share (Cont'd)

(b) Diluted earnings/(loss) per share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year Period 31.12.2020 RM'000
Net earnings/(loss) for the period	112	2,272	(25,922)	805
Weighted average number of ordinary shares in issue ('000)	550,297	370,769	550,297	370,769
- Adjustments for assumed conversion of ICPS ('000)	-	43,898	-	43,898
- Adjustment for assumed conversion of Warrant D ('000)	3,063	16,508	3,063	16,508
- Adjustment for assumed conversion of share options ('000)	-	944	-	944
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	553,360	432,119	553,360	432,119
Diluted profit/(loss) per share (sen)	0.02	0.53	(4.68)	0.19

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year Quarter 31.12.2021 RM'000	Current Year to date 31.12.2021 RM'000
Interest income	(57)	(227)
Interest expense	1,334	5,392
Depreciation	286	1,210
Rental expenses	139	455
Rental income	(9)	(35)



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

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

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 2022