



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 March 2023

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year To Date 31.03.2023 RM'000	Preceding Year To Date 31.03.2022 RM'000
Revenue		35,899	24,720	35,899	24,720
Cost of sales		(29,842)	(22,439)	(29,842)	(22,439)
Gross profit		6,057	2,281	6,057	2,281
Other income		1,017	4,837	1,017	4,837
Other operating expenses		(602)	(495)	(602)	(495)
Administrative expenses		(4,317)	(2,665)	(4,317)	(2,665)
Finance costs		(1,278)	(1,450)	(1,278)	(1,450)
Share of loss from associate		(1)	-	(1)	-
Profit before tax		876	2,508	876	2,508
Income tax expenses	B5	(190)	-	(190)	-
Profit after taxation for the financial period		686	2,508	686	2,508
Other comprehensive (loss)/income					
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive income		(356)	535	(356)	535
Total comprehensive income for the financial period	B11	330	3,043	330	3,043

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 March 2023 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding	Current	Preceding
		Quarter	Year Quarter	Year To Date	Year To Date
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
		RM'000	RM'000	RM'000	RM'000
Profit after taxation					
attributable to:					
Owners of the Company		57	2,161	57	2,161
Non-Controlling Interests		629	347	629	347
		686	2,508	686	2,508
Total comprehensive (loss)/income					
attributable to:					
Owners of the Company		(299)	2,696	(299)	2,696
Non-Controlling Interests		629	347	629	347
		330	3,043	330	3,043
Earnings per share					
("EPS") (in sen)					
- Basic	B10	0.01	0.27	0.01	0.27
- Diluted	B10	0.01	0.27	0.01	0.27

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 March 2023

	Note	As at 31.03.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		142	142
Other investments		5,069	5,425
Property, plant and equipment		6,369	6,382
Investment property		31,852	27,188
Right-of-use asset		10,502	10,628
Inventories		27,685	27,685
Deferred tax assets		97	-
Trade and other receivable		18,539	18,539
		<u>100,255</u>	<u>95,989</u>
Current Assets			
Inventories		186,049	181,004
Contract Cost		10,312	8,056
Trade and other receivables		190,193	159,434
Contract assets		25,650	19,433
Current tax assets		767	462
Cash and short-term deposits		23,369	24,151
		<u>436,340</u>	<u>392,540</u>
TOTAL ASSETS		<u>536,595</u>	<u>488,529</u>
EQUITY AND LIABILITIES			
Share capital		244,458	244,458
Reserves		(61,900)	(61,601)
Shareholders' funds		182,558	182,857
Non-controlling interests		15,983	15,354
TOTAL EQUITY		<u>198,541</u>	<u>198,211</u>
Non-Current Liabilities			
Lease liabilities		123	175
Loans and borrowings	B7	121,846	88,614
Trade payables		30,687	20,762
		<u>152,656</u>	<u>109,551</u>
Current Liabilities			
Lease liabilities		189	180
Loans and borrowings	B7	43,459	48,585
Trade and other payables		134,119	129,931
Current tax liabilities		399	156
Contract liabilities		7,232	1,915
		<u>185,398</u>	<u>180,767</u>
TOTAL LIABILITIES		<u>338,054</u>	<u>290,318</u>
TOTAL EQUITY AND LIABILITIES		<u>536,595</u>	<u>488,529</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>0.18</u>	<u>0.18</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 March 2023*

<----- Attributable to owners of the company ----->							
<----- Non-Distributable ----->			Distributable				
Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2023	244,458	1,421	613	(63,635)	182,857	15,354	198,211
Profit after taxation	-	-	-	57	57	629	686
Total comprehensive loss for the period	-	(356)	-	-	(356)	-	(356)
Transaction with owners of the company:							
Issuance of ordinary share pursuant to:							
exercise of							
- Private Placement	-	-	-	-	-	-	-
Share options lapsed	-	-	-	-	-	-	-
Share issued on the acquisition of a subsidiary	-	-	-	-	-	-	-
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	-
Balance as at 31 March 2023	244,458	1,065	613	(63,578)	182,558	15,983	198,541

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 2022 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 March 2023 (Cont'd)

	< ----- Attributable to owners of the company ----- >						
	< ----- Non-Distributable ----- >			Distributable			
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	211,100	1,223	739	(55,937)	157,125	140	157,265
Profit after taxation	-	-	-	2,161	2,161	347	2,508
Total comprehensive income for the period	-	535	-	-	535	-	535
Transaction with owners of the company:							
Issuance of ordinary share pursuant to:							
exercise of							
- Private Placement	12,985	-	-	-	12,985	-	12,985
Share options lapsed	-	-	69	-	69	-	69
Share issued on the acquisition of a subsidiary	14,116	-	-	-	14,116	-	14,116
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	18,219	18,219
Balance as at 31 March 2022	238,201	1,758	808	(53,776)	186,991	18,706	205,697

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 2022 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 March 2023

	Current Year to date 31.03.2023 RM'000	Preceding Year to date 31.3.2022 RM'000
Cash Flows from Operating Activities		
Profit before tax	876	2,508
Adjustments for:		
Non-cash items	602	(3,895)
Non-operating items	1,154	1,418
<i>Operating profit before working capital changes</i>	2,632	31
Net change in current assets	(39,001)	(7,522)
Net change in current liabilities	14,113	(14,263)
<i>Cash used in operations</i>	(22,256)	(21,754)
Interest Paid	(2,450)	(1,450)
Interest received	125	101
Tax paid	(350)	(428)
<i>Net cash used in operating activities</i>	(24,931)	(23,531)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(426)	-
Investment in quoted shares	-	-
Increase in pledged fixed deposits with licensed banks	(120)	(76)
Proceeds from disposal of right-of-use asset	-	430
Subsequent expenditure of investment property	(3,491)	-
Proceeds from disposal of investment property	-	1,800
Acquisition of subsidiaries, net of cash and cash equivalents	-	17,075
<i>Net cash (used in)/from investing activities</i>	(4,037)	19,229
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	-	12,985
Drawdown of bank borrowings	38,078	2,147
Repayment of bank borrowings	(9,356)	(6,700)
Repayment of lease liabilities	(40)	-
<i>Net cash from financing activities</i>	28,682	8,432
<i>Net cash (decreased)/increased in cash and cash equivalents</i>	(286)	4,130
<i>Cash and cash equivalents at beginning of the financial year</i>	(7,059)	(2,379)
<i>Cash and cash equivalents at end of the financial period</i>	(7,345)	1,751



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Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2023 (Cont'd)

	Current	Preceding
	Year to date	Year to date
	31.03.2023	31.3.2022
	RM'000	RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	19,357	18,986
Cash and bank balances	4,012	15,666
Bank overdrafts	(11,357)	(13,915)
	12,012	20,737
Less: Fixed deposit pledged to licensed banks	(19,357)	(18,986)
	(7,345)	1,751

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 2022.

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 2022, 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>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 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	1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]



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

1. Basis of Preparation (Cont'd)

(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 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 [#]
<i>#Amendments as to the consequence of effective of MFRS 17 Insurance Contracts</i>	

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

(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>Amendments/Improvements to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 16 Leases	1 January 2024
MFRS 101 Presentation of Financial Statements	1 January 2024
MFRS 128 Investments in Associates and Joint Ventures	Deferred

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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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 2022 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

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 March 2023:

31 March 2023	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	12,520	22,787	1,523	(931)	35,899
Segment Results (EBITDA)	1,094	1,516	(7,916)	8,022	2,716
Finance Cost	(287)	(688)	(303)	-	(1,278)
Depreciation and Amortisation	(389)	(156)	(17)	-	(562)
Consolidated Profit Before Tax					876
ASSETS					
<i>Segment Assets</i>	76,462	428,202	286,584	(254,653)	536,595
LIABILITIES					
<i>Segment Liabilities</i>	37,011	295,287	45,240	(39,484)	338,054
OTHER INFORMATION					
<i>Capital Expenditure</i>	426	-	3,491	-	3,917
<i>Depreciation and Amortisation</i>	389	156	17	-	562
<i>Other Non-Cash Expenses</i>	-	-	40	-	40

31 March 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	1,655	22,772	1,086	(793)	24,720
Segment Results (EBITDA)	(118)	1,045	(1,080)	4,549	4,396
Finance Cost	(234)	(1,045)	(171)	-	(1,450)
Depreciation and Amortisation	(229)	(170)	(39)	-	(438)
Consolidated Profit Before Tax					2,508
ASSETS					
<i>Segment Assets</i>	82,554	427,785	248,412	(180,621)	578,130
LIABILITIES					
<i>Segment Liabilities</i>	50,463	334,224	31,858	(44,112)	372,433
OTHER INFORMATION					
<i>Capital Expenditure</i>	2,852	-	-	-	2,852
<i>Depreciation and Amortisation</i>	229	170	39	-	438
<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 23 May 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 March 2023.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 March 2023.

Subsequent to the end of quarter ended 31 March 2023, the Company had on 19 May 2023 entered into a Share Sale Agreement for the disposal of 1 share in Amazing Symphony Sdn Bhd (“ASSB”), a wholly-owned subsidiary of the Company, representing the entire equity interest in ASSB for consideration of RM1. Accordingly, ASSB ceased to be a subsidiary of the Company.

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 23 May 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
	31.03.2023	31.03.2022
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	146,808	95,266

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
	31.03.2023	31.03.2022
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	18,019	4,331
Marketing fee to a company which has substantial financial interest	188	555
Subcontractor fee to a company which has substantial financial interest	16,460	12,372

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	35,899	24,720	35,899	24,720
Profit before tax	876	2,508	876	2,508

The revenue of RM35.9 million in the current quarter and cumulative period were contributed by both the property development and construction segments.

Higher revenue and lower profit before tax were mainly driven by higher property sales and higher progress revenue recognised across the Group's existing on-going projects, offset with RM4.1 million bargain purchase recognised for acquisition of OCR Selayang Industrial Park Sdn Bhd.

Further Analysis by Segments

Property Development Segment

The current period quarter revenue was contributed mainly by the project progress recognition from Priya Kuantan of RM11.1 million, The Mate at Damansara Jaya of RM3.3 million, OCR PARC Industrial Selayang of RM7.0 million and Stellar Damansara of RM1.6 million respectively.

Higher revenue contribution from OCR PARC Industrial Selayang, The Mate at Damansara and Stellar Damansara amounting to RM9.1 million was offset by lower revenue contribution from Priya Kuantan by RM7.8 million.

Lower profit before tax was mainly due to RM4.1 million bargain purchase recognised for acquisition of OCR Selayang Industrial Park Sdn Bhd in the preceding period corresponding quarter, offset by increase in revenue in the current quarter.

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 RM10.9 million increase in revenue in the current quarter compared to the preceding period corresponding quarter.

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



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

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

	Individual Quarter	
	31.03.2023 RM'000	31.12.2022 RM'000
Revenue	35,899	57,838
Profit before tax	876	(247)

With the completion of OCR PARC Industrial Selayang in the current quarter, the Group's revenue has decreased from RM57.8 million in the immediate preceding quarter to RM35.9 million in the current quarter.

The Group recorded profit before tax of RM0.9 million for the current quarter as compared to loss before tax of RM0.2 million in the immediate preceding quarter. The profit before tax was mainly attributed to higher gross profit contributed from Property Development segment and higher forfeited income from terminated sales, which was offset by higher finance costs resulted from higher borrowings in the current quarter.

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 property market performance is expected to grow in line with the moderately lower economic growth projection for 2023 given the unpredictable external environment. Bank Negara Malaysia has raised the Overnight Policy Rate ("OPR") by 25 basis point to 3%. The rate hike may dent buyer's affordability and sentiment. Notwithstanding this, the accommodative policies, continuous government support, well execution of all planned measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under Ringkasan Intipati Utama Pembentangan Rancangan Malaysia Ke-12 ("RMK-12") are expected to remain supportive of the property sector.

The Group continues its focus on clearing unsold units and inventory and ensuring timely delivery of its existing projects, PRIYA Kuantan, The Mate at Damansara Jaya and Isola at KLCC as well as the sales of its newly launched low density premium project in Damansara Jaya, namely Stellar Damansara.



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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 (Cont'd)

The upcoming project launches spans across diversified property classes and locations from affordable housing in Shah Alam to 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.

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
	31.03.2023	31.03.2022
	RM'000	RM'000
Income tax	287	-
Deferred tax	(97)	-
	<hr/>	<hr/>
Income tax expenses	190	-
	<hr/>	<hr/>
Effective tax rate	22%	0%

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 23 May 2023, being the last practicable date from the date of the issue of this report, except the following:

(a) Proposed private placement

On 6 April 2023, the Company proposed to undertake a private placement of up to 395,999,000 new ordinary shares of the Company, representing approximately up to 40% of the existing number of issued shares, to independent third-party investors to be identified later at an issue price to be determined later ("Proposed Private Placement"). On 20 April 2023, Bursa Malaysia Securities Berhad has approved the listing of and quotation for up to 395,999,000 new ordinary shares of the Company to be issued pursuant to the Proposed Private Placement. On 12 May 2023, the Company issued the Circular to Shareholders to seek shareholders approval for the Proposed Private Placement.

7. Borrowings and Debt Securities

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

	As at 31.03.2023 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	10,035
- Revolving credit	15,000
- Term loan	12,500
- Trust receipt	4,794
- Hire purchase liabilities	1,130
	43,459
Non-current liabilities	
- Term loan	118,158
- Bank overdrafts	1,322
- Hire purchase liabilities	2,366
	121,846
Total Borrowings	165,305

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 23 May 2023, except the following:

(a) Kencana Amanjaya Sdn. Bhd. v OCR Properties (Kuantan) Sdn. Bhd. (“OPKSB”)

OPKSB, a 90% owned subsidiary of the Company had on 18 April 2023, been served with a Writ of Summons and Statement of Claim dated 17 April 2023 (“Writ”) filed by Messrs. Gregory Yusran & Associates, the solicitors acting on behalf of Kencana Amanjaya Sdn. Bhd. (“Plaintiff”) in the Shah Alam High Court.

The Plaintiff’s claim against OPKSB pertains to the alleged payment default in relation to the development project held under Lot 8094, Mukim Penor, Daerah Kuantan, Pahang Darul Makmur (“PRIYA Project”) where the Plaintiff has been appointed as main contractor.

The Plaintiff has claimed from OPKSB the following:-

- (a) the sum of RM16,380,487.73 being the outstanding debt;
- (b) the general damages for the breach of the PRIYA Project Contract by OPKSB;
- (c) Interest on the outstanding amount at the rate of 5% per annum from the date of Writ filing until date of the judgment;
- (d) Interest on the outstanding amount at the rate of 5% per annum from the date of the judgement until the date of the repayment;
- (e) Costs on a solicitor-client basis; and
- (f) any such further reliefs and/or orders that is thought fit by the proper Honourable Court.

The Court has fixed the case management by way of e-Review on 24 May 2023. The case management has been vacated due to OPKSB filed notices of application for stay of proceeding and striking out. The hearing for application for stay of proceeding and striking out was fixed on 11 July 2023.

(b) Kencana Amanjaya Sdn. Bhd. v OCR Construction Sdn. Bhd. (“OCCSB”)

OCCSB, a wholly owned subsidiary of the Company had on 18 April 2023, been served with a Writ of Summons and Statement of Claim dated 17 April 2023 (“Writ”) filed by Messrs. Gregory Yusran & Associates, the solicitors acting on behalf of Kencana Amanjaya Sdn. Bhd. (“Plaintiff”) in the Shah Alam High Court.

The Plaintiff’s claim against OCCSB pertains to the alleged payment default in relation to the development project held under Lot 62142 (PT. 853), Jalan PJS 8/9, PJS 8, Bandar Sunway, Petaling Jaya, Selangor Darul Ehsan (“YOLO Project”) where the Plaintiff has been appointed as main contractor.

The Plaintiff has claimed from OCCSB the following:-

- (a) the sum of RM14,545,000.81 being the outstanding debt;
- (b) the general damages for the breach of the YOLO Project Contract by OCCSB;
- (c) Interest on the outstanding amount at the rate of 5% per annum from the date of Writ filing until date of the judgment;



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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 (Cont'd)

(b) Kencana Amanjaya Sdn. Bhd. v OCR Construction Sdn. Bhd. (“OCCSB”) (Cont'd)

- (d) Interest on the outstanding amount at the rate of 5% per annum from the date of the judgement until the date of the repayment;
- (e) Costs on a solicitor-client basis; and
- (f) any such further reliefs and/or orders that is thought fit by the proper Honourable Court.

The Court has fixed the case management by way of e-Review on 24 May 2023. The case management has been vacated due to OCCSB filed notices of application for stay of proceeding and striking out. The hearing for application for stay of proceeding and striking out was fixed on 11 July 2023.

9. Dividend

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

10. Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Quarter 31.03.2022 RM'000	Current Year To Date 31.03.2023 RM'000	Preceding Year Period 31.03.2022 RM'000
(a) Basic earnings per ordinary share				
Net loss attributable to the owners for the period	57	2,161	57	2,161
Weighted average number of ordinary shares issued ('000)	989,998	681,043	989,998	681,043
Effects of: -				
- Private placement ('000)	-	81,472	-	81,472
- Warrant D ('000)	-	1	-	1
- Acquisition of subsidiaries	-	29,154	-	29,154
Weighted average number of ordinary shares in issue ('000)	989,998	791,670	989,998	791,670
Basic earnings per ordinary share (sen)	0.01	0.27	0.01	0.27



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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 per ordinary share

The basic and diluted earnings 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.

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year Quarter 31.03.2023 RM'000	Current Year to date 31.03.2023 RM'000
Interest income	(125)	(125)
Interest expense	1,278	1,278
Depreciation	562	562
Rental expenses	144	144
Rental income	(81)	(81)
Impairment loss on other receivables	40	40

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
30 May 2023