



**OCR Group Berhad**  
(Company No: 440503-K)  
(Incorporated in Malaysia)

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the financial quarter ended 30 June 2019*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.6.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.6.2019 RM'000	Preceding Year To Date N/A RM'000
Revenue		21,142	-	42,935	-
Cost of sales		(14,472)	-	(30,513)	-
Gross profit		6,670	-	12,422	-
Other income		435	-	706	-
Other operating expenses		(197)	-	(403)	-
Administrative expenses		(2,972)	-	(6,155)	-
Finance costs		(758)	-	(1,511)	-
Share of loss from associate		(43)	-	(54)	-
Profit before tax		3,135	-	5,005	-
Income tax expense	B5	(218)	-	(569)	-
<b>Profit after taxation for the financial period</b>		2,917	-	4,436	-
<b>Other Comprehensive Expense, net of Tax:</b>					
Foreign currency translation		-	-	-	-
<b>Total Comprehensive Income</b>	B11	2,917	-	4,436	-

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.*

*Due to the change in financial year end from 31 July 2018 to 31 December 2018, there are no comparative figures for this quarter.*



**OCR Group Berhad**  
 (Company No: 440503-K)  
 (Incorporated in Malaysia)

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the financial quarter ended 30 June 2019 (Cont'd)*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.6.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.6.2019 RM'000	Preceding Year To Date N/A RM'000
<b>Profit/(loss) after taxation attributable to:</b>					
Owners of the Company		2,968	-	4,485	-
Non-Controlling Interests		(51)	-	(49)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		2,917	-	4,436	-
<hr/>					
<b>Total Comprehensive Income/(expense) attributable to:</b>					
Owners of the Company	B11	2,968	-	4,485	-
Non-Controlling Interests		(51)	-	(49)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		2,917	-	4,436	-
<hr/>					
Earnings per share ("EPS") (in sen)					
- Basic	B10	0.93	-	1.40	-
		<hr/>	<hr/>	<hr/>	<hr/>
- Diluted	B10	0.31	-	0.47	-
		<hr/>	<hr/>	<hr/>	<hr/>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.*

*Due to the change in financial year end from 31 July 2018 to 31 December 2018, there are no comparative figures for this quarter.*



**OCR Group Berhad**  
**(Company No: 440503-K)**  
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*Condensed Consolidated Statement of Financial Position*  
*As at 30 June 2019*

	Note	As at 30.6.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,060	2,464
Deferred Tax Asset		783	757
Investment property		1,833	1,854
Inventories		55,358	55,336
Investment in an associate		433	486
Other receivable		13,878	13,323
		<hr/>	<hr/>
		74,345	74,220
<b>Current Assets</b>			
Contract assets		15,997	16,098
Inventories		87,251	80,167
Trade and others receivables		102,826	82,292
Current tax assets		1,125	795
Cash and cash equivalents		18,514	16,293
		<hr/>	<hr/>
		225,713	195,645
<b>TOTAL ASSETS</b>		<hr/>	<hr/>
		300,058	269,865
<b>EQUITY AND LIABILITIES</b>			
Share capital		115,538	88,457
Irredeemable convertible preference shares		31,419	32,187
Reserves		(21,254)	(7,613)
		<hr/>	<hr/>
Shareholders' funds		125,703	113,031
Non-controlling interests		(1,456)	(1,407)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		124,247	111,624
<b>Non-Current Liabilities</b>			
Long-term bank borrowings	B7	37,118	38,998
Deferred tax liabilities		179	179
Other payable		40,503	40,503
		<hr/>	<hr/>
		77,800	79,680
<b>Current Liabilities</b>			
Trade and other payables		64,277	46,564
Contract liability		-	2,262
Short-term borrowings	B7	32,536	29,132
Current tax liabilities		1,198	603
		<hr/>	<hr/>
		98,011	78,561
<b>TOTAL LIABILITIES</b>		<hr/>	<hr/>
		175,811	158,241
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/>	<hr/>
		300,058	269,865
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<hr/>	<hr/>
		0.27	0.32

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 30 June 2019*

	-----Attributable to owners of the company----->							
	<-----Non-Distributable----->				Distributable			
	Share Capital RM'000	Share Premium RM'000	Reserve RM'000	Irredeemable Convertible Preference Shares RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2019	88,457	18,126	890	32,187	(26,629)	113,031	(1,407)	111,624
Profit/(loss) after taxation for the period	-	-	-	-	4,485	4,485	(49)	4,436
Other comprehensive expense for the period, net of tax	-	-	-	-	-	-	-	-
Total comprehensive Income/(expense) for the period	-	-	-	-	4,485	4,485	(49)	4,436
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
- exercise of								
- ICPS	768	-	-	(768)	-	-	-	-
-Private Placement	8,187	-	-	-	-	8,187	-	8,187
Transfer from share premium	18,126	(18,126)	-	-	-	-	-	-
Balance as at 30 June 2019	115,538	-	890	31,419	(22,144)	125,703	(1,456)	124,247

*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 2018 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 30 June 2019 (Cont'd)*

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

	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Irredeemable Convertible Preference Shares RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 August 2017	68,745	18,475	1,721	572	32,232	(19,592)	102,153	(817)	101,336
Loss after taxation for the period	-	-	-	-	-	(7,037)	(7,037)	(293)	(7,330)
Other comprehensive Income for the period, net of tax - Foreign currency translation	-	-	-	(572)	-	-	(572)	-	(572)
Total comprehensive expense for the period	-	-	-	(572)	-	(7,037)	(7,609)	(293)	(7,902)
Issuance of - exercise of SIS	2,805	-	-	-	-	-	2,805	-	2,805
- exercise of ICPS	90	-	-	-	-	-	90	-	90
- Private placement	15,941	-	-	-	-	-	15,941	-	15,941
Transfer upon conversion of ICPS	45	-	-	-	(45)	-	-	-	-
Transfer upon SIS exercised	831	-	(831)	-	-	-	-	-	-
Direct expenses	-	(349)	-	-	-	-	(349)	-	(349)
Acquisition of subsidiary	-	-	-	-	-	-	-	(297)	(297)
Balance as at 31 December 2018	88,457	18,126	890	-	32,187	(26,629)	113,031	(1,407)	111,624

*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 2018 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 30 June 2019*

	<b>Current Year to date 30.6.2019 RM'000</b>	<b>Preceding Year to date N/A RM'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>5,005</b>	-
Adjustments for:		
Non-cash items	457	-
Non-operating items	904	-
<i>Operating profit before working capital changes</i>	<b>6,366</b>	-
Net change in current assets	(30,355)	-
Net change in current liabilities	17,713	-
<i>Cash used in operations</i>	<b>(6,276)</b>	-
Tax paid	(330)	-
<i>Net cash used in operating activities</i>	<b>(6,606)</b>	-
<b>Cash Flows from Investing Activities</b>		
Proceed from disposal of property, plant and equipment	90	-
Purchase of property, plant and equipment	(69)	-
Interest received	607	-
<i>Net cash used in investing activities</i>	<b>628</b>	-
<b>Cash Flows from Financing Activities</b>		
Interest paid	(1,511)	-
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	8,187	-
Drawdown of bank borrowings	624	-
Repayment of bank borrowings	(1,090)	-
Placement of fixed deposit pledged with a licensed bank	(2,267)	-
<i>Net cash generated from financing activities</i>	<b>3,943</b>	-
<i>Net cash decreased in cash and cash equivalents</i>	<b>(2,035)</b>	-
<i>Cash and cash equivalents at beginning of the financial year</i>	<b>(4,160)</b>	-
<i>Cash and cash equivalents at end of the financial period</i>	<b>(6,195)</b>	-



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Cash Flows*  
*For the period ended 30 June 2019 (Cont'd)*

	<b>Current Year To Date 30.6.2019 RM'000</b>	<b>Preceding Year To Date N/A RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits with licensed banks	17,857	-
Cash and bank balances	657	-
Bank overdrafts	(6,852)	-
	<hr/>	
	11,662	-
Less: Fixed deposit pledged to licensed banks	(17,857)	-
	<hr/>	
	(6,195)	-
	<hr/>	

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2018.

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 2018. The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 January 2019 did not have any significant impact on the interim financial statements upon their initial application.

The following standards were issued by the Malaysian Accounting Standards Board but are not yet effective and have not been applied by the Group:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019



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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER**

### **PART A**

#### **EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)**

##### **1. Basis of Preparation (Cont'd)**

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 except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principal classification categories for financial assets (measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income) and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available-for-sale financial assets.

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

The Group is currently assessing the impact of implementing MFRS 9. As a result, the potential impact on the adoption of this standard would only be observable when the assessment is completed later.

##### **2. Status of Audit Qualifications**

The audited financial statements of the Group for the financial year ended 31 December 2018 was not subject to any audit qualification.

##### **3. Seasonality or Cyclically 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.



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

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

There are total of 1,537,000 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 15,370,000 ICPS to 1,537,000 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share during the financial period ended 30 June 2019.

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.

**8. Segment Information**

The following is an analysis of the revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 June 2019: -

30 June 2019	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	18,992	2,150	-	-	-	21,142
Segment Results (EBITDA)	5,582	163	(1,652)	(3)	-	4,090
Finance Cost	(485)	(40)	(233)	-	-	(758)
Depreciation and Amortisation	(11)	(124)	(62)	-	-	(197)
<b>Consolidated Profit Before Tax</b>						<b>3,135</b>
<b>ASSETS</b>						
Segment Assets	118,454	137,890	150,915	22	(107,223)	300,058
<b>LIABILITIES</b>						
Segment Liabilities	99,820	133,834	41,345	2,266	(101,454)	175,811
<b>OTHER INFORMATION</b>						
Capital Expenditure	-	-	-	-	-	-
Depreciation and Amortisation	11	124	62	-	-	197
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	
	30 June 2019 RM'000	N/A RM'000	30 June 2019 RM'000	N/A RM'000	30 June 2019 RM'000	N/A RM'000
Malaysia	21,142	-	300,058	-	-	-
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>21,142</b>	<b>-</b>	<b>300,058</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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 20 August 2019, 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 30 June 2019, except for on 3 July 2019, 5 July 2019, 9 July 2019, 15 July 2019, 19 July 2019 and 31 July 2019, there are total of 3,511,430 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 35,114,300 ICPS to 3,511,430 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter ended 30 June 2019.



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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 20 August 2019, 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: -

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>30.6.2019</b>	<b>31.3.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	49,656	50,716

There were no contingent assets since the last annual balance sheet as at 30 June 2019.

**13. Capital Commitments**

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

**14. Significant Inter Company and Related Party Transactions**

	<b>Group</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year To Date</b>	<b>Year To Date</b>
	<b>30.6.2019</b>	<b>N/A</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Inter Company Transactions</u></b>		
Progress billing to a company which is connected to a director of the company	21,722	-

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	
	30.6.2019 RM'000	N/A RM'000	30.6.2019 RM'000	N/A RM'000
Revenue	21,142	-	42,935	-
Profit before tax	3,135	-	5,005	-

For the current quarter and cumulative period under review, the Group's revenue was mainly contributed by the construction and property development segments. The profit before tax was contributed by the progressive revenue recognition by the property development and construction segments in the cumulative period under review.

Further Analysis by Segments

Construction Segment

The revenue and profit before tax in the current and cumulative period were mainly contributed by the progressive revenue recognised by the 'YOLO at Sunway Mentari' project.

Property Development Segment

The revenue and profit before tax in the current and cumulative periods under review was a result of progressive recognition of revenue mainly contributed by Isola at KLCC and PRIYA at Kuantan projects.

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

	Individual Quarter	
	30.6.2019 RM'000	31.3.2019 RM'000
Revenue	21,142	21,793
Profit before tax	3,135	1,870

The Group recorded profit before tax of RM3.1 million for the current quarter as compared to the immediate preceding quarter profit before tax of RM1.9 million. The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments.



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## **PART B**

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

#### **3. Current Year Prospects**

The Group is focus on the construction business and has expanded its initial foray to include the property development business as well. The following are the plans to be undertaken by the Group to strengthen our financial performance and position in the medium and long term, the Group

- (a) had entered into a conditional joint venture agreement to undertake a proposed mixed development project in Kuantan with estimated gross development value of RM330 million;
- (b) had acquired the Melaka Land to be developed into a mixed development project with estimated gross development value of RM206 million;
- (c) had acquired a 1.0-acre land along with a building structure in Damansara Intan and intended for a commercial development with an office block and has a GDV of RM144.0 million.
- (d) had received a letter of award for its appointment as project management consultant (“PMC”) from Yayasan Pahang of Komplek Yayasan Pahang, Tanjung Lumpur, 26060 Kuantan, Pahang for its project, Affordable Housing Development Scheme, in the state of Pahang which consist of approximately 25,000 units of residential properties over the 7 years construction period;
- (e) had through its associate company, AES Builders Sdn. Bhd., has entered into a Master En-Block Purchase Agreement with PR1MA and Mampan ESA (Melaka) Sdn. Bhd. to build and develop “PR1MA @ Sri Gading” at Alor Gajah, Melaka, comprising of 554 residential units with 5 apartment blocks of 11 storey each and 1 block of 12 storey at a total contract value of approximately RM101million for the duration of 3 years;
- (f) had entered into a new Joint Venture Agreement with Arra Inovasi Sdn. Bhd. to undertake the construction and development of a proposed housing project on a piece of 8.7 acres land situated in Teras Jernang, Bangi , Selangor Darul Ehsan into residential properties (“Project”). The gross development value of the said Project are estimated to be RM90 million;
- (g) had through its associate company, AES Builders Sdn. Bhd., appointed by Perbadanan PR1MA Malaysia to carry out the design, planning, procurement, construction and completion of a Project located at Lot 37827 Jalan Alam Sutera Utama, Mukim Petaling, Bukit Jalil, Wilayah Persekutuan Kuala Lumpur at a total contract value of approximately RM155 million;



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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)**

- (h) had entered into a Joint Venture Agreement with Casa Bangsar Sdn. Bhd. to jointly undertake, implement, develop and complete the construction of an integrated mixed development to be erected on all those parts of land held under Lot 428 and Lot 745 located in Mukim of Tebrau, District of Johor Bahru, Johor, measuring approximately 47.87 acres in accordance with the provisions of the Privatisation cum Development Agreement dated 4 June 2015. The estimated gross development value is estimated to be RM700 million.
- (i) had entered into a Joint Venture Agreement with Duta Skyline Sdn Bhd to jointly develop 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. The estimated gross development value is approximately 10 billion.
- (j) had entered into a Joint Venture Agreement with D'nonce Properties Sdn. Bhd., a wholly-owned subsidiary of D'nonce Technology Bhd. to jointly develop a piece of vacant land held under Lot No. 10320, GM No. 1496, Mukim 10, Seberang Perai Tengah, Pulau Pinang measuring in area 6774 square metre into one block of 19-storey affordable apartment with 281 units and 7-Storey car park podium. The estimated gross development value is approximately RM85 million.

Through efforts such as brand building and business development activities in future, we hope the market will be aware of the existence of a new niche construction and property player making waves in the Klang Valley and key cities within Malaysia.

Notwithstanding the secured construction works and those announced proposals in relate to development projects, the Group is also aggressively taking steps to source and negotiate for more new business opportunities.

With those efforts undertaken by the Group, our management is of the opinion that the prospects of the Group will continue to improve in the future.

#### **4. Variances Between Actual Profit and Forecast Profit**

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

#### **5. Tax Expense**

The effective tax rate of the Group for the current quarter and financial year-to-date under review is lower than statutory tax rate due to tax payable is only applicable for certain profitable subsidiaries.

#### **6. Status of Corporate Proposals**

Save from the following, there were no corporate proposals announced but not completed as at 20 August 2019, being the last practicable date from the date of the issue of this report.



**OCR Group Berhad**  
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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: -

	<b>As at 30.6.2019 RM'000</b>
Secured:	
Current liabilities	
- Bank overdrafts	6,852
- Revolving credit	15,000
- Term loan	6,228
- Trust receipt	4,313
	<hr/> 32,393 <hr/>
Non-current liabilities	
- Term loan	37,073
	<hr/> 37,073 <hr/>
Unsecured:	
Current liabilities	
- Hire purchase payable	143
	<hr/> 143 <hr/>
Non-current liabilities	
- Hire purchase payable	45
	<hr/> 45 <hr/>
Total Borrowings	<hr/> <b>69,654</b> <hr/>

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.

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

	<b>As at 30.6.2019 RM'000</b>
Ringgit Malaysia	<hr/> <b>69,654</b> <hr/>



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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 20 August 2019, being the last practicable date from the date of issue of this quarterly report.

**9. Dividend**

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

**10. Earnings Per Share**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.6.2019 RM'000	Preceding Year Period N/A RM'000
<b>(a) Basic earnings per share</b>				
Net profit for the period	2,968	-	4,485	-
Weighted average number of ordinary shares issued ('000)	292,465	-	292,465	-
Effects of: -:				
Private placement ('000)	27,947	-	27,947	-
ICPS ('000)	418	-	418	-
Weighted average number of ordinary shares in issue ('000)	320,830	-	320,830	-
Basic earnings per share (sen)	0.93	-	1.40	-



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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 share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.6.2019 RM'000	Preceding Year Period N/A RM'000
Net profit for the period	2,968	-	4,485	-
Weighted average number of ordinary shares in issue ('000)	320,830	-	320,830	-
Adjustments for assumed conversion of ICPS ('000)	628,374	-	628,374	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	949,204	-	949,204	-
Diluted earnings per share (sen)	0.31	-	0.47	-

**11. Notes to the Statement of Comprehensive Income**

	Group	
	Current Year Quarter 30.6.2019 RM'000	Current Year to date 30.6.2019 RM'000
Interest income	(368)	(607)
Interest expense	758	1,511
Depreciation and amortisation	197	403
Rental expenses	145	281
Rental income	(32)	(62)
Gain on disposal of property, plant and equipment	(18)	(18)



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**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 August 2019