



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

*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
For the financial quarter ended 30 June 2022

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
Revenue		69,362	2,128	94,082	24,582
Cost of sales		(58,516)	(11,002)	(80,955)	(29,456)
Gross profit/(loss)		10,846	(8,874)	13,127	(4,874)
Other income		(3,997)	98	840	299
Other operating expenses		(506)	(382)	(1,001)	(615)
Administrative expenses		(2,304)	(2,634)	(4,969)	(5,029)
Finance costs		(1,452)	(1,388)	(2,902)	(2,769)
Share of loss from associate		(2)	(7)	(2)	(21)
Profit/(loss) before tax		2,585	(13,187)	5,093	(13,009)
Income tax expenses	B5	(5)	75	(5)	(1)
<b>Profit/(loss) after taxation for the financial period</b>		2,580	(13,112)	5,088	(13,010)
<b>Other comprehensive income</b>					
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive income		(416)	1,025	119	1,025
<b>Total comprehensive income/(loss) for the financial period</b>	B11	2,164	(12,087)	5,207	(11,985)

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



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*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the financial quarter ended 30 June 2022 (Cont'd)*

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
<b>Profit/(loss) after taxation attributable to:</b>					
Owners of the Company		(3,490)	(12,647)	(1,329)	(12,584)
Non-Controlling Interests		6,070	(465)	6,417	(426)
		2,580	(13,112)	5,088	(13,010)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company	B11	(3,906)	(11,622)	(1,210)	(11,559)
Non-Controlling Interests		6,070	(465)	6,417	(426)
		2,164	(12,087)	5,207	(11,985)
<b>Earnings/(Loss) per share ("EPS") (in sen)</b>					
- Basic	B10	(0.41)	(2.56)	(0.16)	(2.55)
- Diluted	B10	(0.41)	(2.29)	(0.16)	(2.28)

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



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Financial Position*  
*As at 30 June 2022*

	Note	As at 30.06.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment in an associate		253	344
Other investments		5,346	5,227
Property, plant and equipment		4,802	2,993
Investment property		24,343	22,529
Right-of-use asset		10,622	11,070
Inventories		27,694	27,694
Trade and other receivable		19,140	19,436
		92,200	89,293
<b>Current Assets</b>			
Inventories		197,708	161,216
Contract Cost		12,985	7,610
Trade and other receivables		149,897	113,635
Contract assets		33,959	35,325
Current tax assets		149	106
Cash and cash equivalents		29,603	30,932
		424,301	348,824
<b>TOTAL ASSETS</b>		516,501	438,117
<b>EQUITY AND LIABILITIES</b>			
Share capital		242,057	211,100
Reserves		(55,047)	(53,975)
Shareholders' funds		187,010	157,125
Non-controlling interests		7,426	140
<b>TOTAL EQUITY</b>		194,436	157,265
<b>Non-Current Liabilities</b>			
Lease liabilities	B7	3,224	479
Loans and borrowings	B7	58,981	67,573
Trade payables		26,598	26,598
		88,803	94,650
<b>Current Liabilities</b>			
Lease liabilities	B7	1,065	127
Loans and borrowings	B7	50,459	54,275
Trade and other payables		118,098	127,552
Current tax liabilities		557	1,389
Contract liabilities		63,083	2,859
		233,262	186,202
<b>TOTAL LIABILITIES</b>		322,065	280,852
<b>TOTAL EQUITY AND LIABILITIES</b>		516,501	438,117
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		0.20	0.23

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



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Changes in Equity*  
*For the financial period ended 30 June 2022*

	<-----Attributable to owners of the company----->							
	<-----Non-Distributable----->				Distributable			
	Share Capital	Warrants Reserve	Share Option Reserve	Irredeemable Convertible Preference Shares (‘ICPS’)	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
<b>Balance as at 1 January 2022</b>	<b>211,100</b>	-	<b>739</b>	-	<b>(54,714)</b>	<b>157,125</b>	<b>140</b>	<b>157,265</b>
Profit after taxation	-	-	-	-	(1,329)	(1,329)	6,417	5,088
Total comprehensive income for the period	-	-	-	-	119	119	-	119
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
exercise of								
- Warrant D	-	-	-	-	-	-	-	-
- Private Placement	16,841	-	-	-	-	16,841	-	16,841
Share options issued	-	-	138	-	-	138	-	138
Share issued on the acquisition of a subsidiary	14,116	-	-	-	-	14,116	-	14,116
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	869	869
<b>Balance as at 30 June 2022</b>	<b>242,057</b>	-	<b>877</b>	-	<b>(55,924)</b>	<b>187,010</b>	<b>7,426</b>	<b>194,436</b>

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



**OCR Group Berhad**  
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Condensed Consolidated Statement of Changes in Equity  
 For the financial period ended 30 June 2022 (Cont'd)

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

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



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Cash Flows*  
*For the financial period ended 30 June 2022*

	<b>Current Year to date 30.06.2022 RM'000</b>	<b>Preceding Year to date 30.06.2021 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit/(Loss) before tax</b>	<b>5,093</b>	<b>(13,009)</b>
Adjustments for:		
Non-cash items	698	636
Non-operating items	2,857	2,818
<i>Operating profit before working capital changes</i>	<b>8,648</b>	<b>(9,555)</b>
Net change in current assets	(33,290)	13,580
Net change in current liabilities	(11,967)	(4,602)
<i>Cash used in operations</i>	<b>(36,609)</b>	<b>(577)</b>
Tax paid	(880)	(1,348)
<i>Net cash (used in) operating activities</i>	<b>(37,489)</b>	<b>(1,925)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(264)	(51)
Investment in quoted shares	-	(4,004)
Decrease in pledged fixed deposits with licensed banks	(149)	(212)
Interest received	183	238
Proceeds from disposal of right-of-use asset	430	-
Proceeds from disposal of investment property	1,800	-
Acquisition of subsidiaries, net of cash and cash equivalents	30,322	-
<i>Net cash from/(used in) investing activities</i>	<b>32,322</b>	<b>(4,029)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(2,902)	(2,769)
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	16,841	21,881
Drawdown of bank borrowings	3,564	4,249
Repayment of bank borrowings	(12,894)	(4,156)
<i>Net cash from financing activities</i>	<b>4,609</b>	<b>19,205</b>
<i>Net cash (decreased)/increased in cash and cash equivalents</i>	<b>(558)</b>	<b>13,251</b>
<i>Cash and cash equivalents at beginning of the financial year</i>	<b>(2,379)</b>	<b>4,611</b>
<i>Cash and cash equivalents at end of the financial period</i>	<b>(2,937)</b>	<b>17,862</b>



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*Condensed Consolidated Statement of Cash Flows*  
*For the period ended 30 June 2022 (Cont'd)*

	<b>Current Year to date 30.06.2022 RM'000</b>	<b>Preceding Year to date 30.06.2021 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits with licensed banks	19,059	18,827
Cash and bank balances	10,544	29,861
Bank overdrafts	(13,481)	(11,999)
	<b>16,122</b>	<b>36,689</b>
Less: Fixed deposit pledged to licensed banks	(19,059)	(18,827)
	<b>(2,937)</b>	<b>17,862</b>

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



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

**PART A**  
**EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

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

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

(a) Adoption of amendments/improvement to MFRSs

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

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

<sup>^</sup> *The Annual Improvements to MFRS Standards 2018 - 2020*

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



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

**PART A**  
**EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation (cont'd)**

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

<u>New MFRS</u>		<b>Effective for financial periods beginning on or after</b>
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 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statement of Cash Flows	1 January 2023 <sup>#</sup>
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 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>

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

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



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

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

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

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

#### **3. Seasonality or Cyclicity of Operations**

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

#### **4. Unusual Items**

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

#### **5. Changes in Estimates**

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

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

During the financial period ended 30 June 2022, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 142,000,000 new ordinary shares at an average price of RM 0.1186 per ordinary share via private placement to eligible investors for a total cash consideration of RM16,840,600 for working capital purpose.
- (ii) an issuance of 1,711 new ordinary shares from the exercise of Warrant D at the exercise price of RM 0.22 per warrant.
- (iii) an issuance of 104,953,197 new ordinary shares at a price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd.

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

#### **7. Dividend**

There were no dividends paid during the current quarter.



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

**8. Segment Information**

The following is an analysis of the consolidated revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 June 2022:

30 June 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	9,327	59,411	915	(291)	69,362
Segment Results (EBITDA)	490	11,526	643	(8,183)	4,476
Finance Cost	(263)	(1,017)	(172)	-	(1,452)
Depreciation and Amortisation	(273)	(150)	(16)	-	(439)
<b>Consolidated Profit Before Tax</b>					<b>2,585</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	86,522	397,841	252,098	(219,960)	516,501
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	56,420	291,970	31,579	(57,904)	322,065
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	-	-	-	-	-
<i>Depreciation and Amortisation</i>	273	150	16	-	439
<i>Other Non-Cash Expenses</i>	-	-	-	-	-

30 June 2021	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	527	1,148	708	(255)	2,128
Segment Results (EBITDA)	(171)	(10,071)	(1,275)	100	(11,417)
Finance Cost	(491)	(721)	(176)	-	(1,388)
Depreciation and Amortisation	(40)	(273)	(69)	-	(382)
<b>Consolidated Profit Before Tax</b>					<b>(13,187)</b>
<b>ASSETS</b>					
<i>Segment Assets</i>	109,497	232,408	193,287	(172,163)	363,029
<b>LIABILITIES</b>					
<i>Segment Liabilities</i>	101,024	232,451	43,211	(165,191)	211,495
<b>OTHER INFORMATION</b>					
<i>Capital Expenditure</i>	8	-	43	-	51
<i>Depreciation and Amortisation</i>	40	273	69	-	382
<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 19 August 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 30 June 2022.

**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 2022.

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

Since the last annual balance sheet date, there were no material changes in contingent liabilities for the Group as at 19 August 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: -

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	94,440	71,853

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**

	<b>Group</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year To Date</b>	<b>Year To Date</b>
	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Inter Company Transactions</u></b>		
Progress billing to a company which has substantial financial interest	14,103	3,934
Marketing fee to a company which has substantial financial interest	696	1,100
Subcontractor fee to a company which has substantial financial interest	24,036	2,808

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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue	69,362	2,128	94,082	24,582
Profit/(Loss) before tax	2,585	(13,187)	5,093	(13,009)

The revenue of RM 69.4 million in the current quarter and cumulative period were contributed by both the property development and construction segments. Higher revenue and profit before tax mainly driven by higher property sales and higher progress revenue recognised across the Group's existing on-going projects.

**Further Analysis by Segments**

**Property Development Segment**

The current period quarter revenue was mainly contributed by the project progress recognition from Priya Kuantan of RM 13.9 million, The Mate at Damansara Jaya of RM 0.7 million and OCR PARC Industrial Selayang of RM 45.4 million respectively.

The increase in revenue compared to preceding period quarter was largely attributed to the increase in revenue from Priya Kuantan by RM 13.5 million and OCR PARC Industrial Selayang by RM45.4 million respectively.

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

**Construction Segment**

The construction segment reported an increase in revenue by RM 8.8 million compared to the preceding period corresponding quarter which was attributed by YOLO Signature Suites at Bandar Sunway.

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

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

	Individual Quarter	
	30.06.2022 RM'000	31.03.2022 RM'000
Revenue	69,362	24,720
Profit before tax	2,585	2,508

The Group's revenue grew significantly from RM 24.7 million in the immediate preceding quarter to RM 69.4 million in the current quarter mainly due to the acquisition of OCR Selayang Industrial Park Sdn Bhd on 7 March 2022 in which revenue recognised from the acquisition amounted to RM 45.4 million.

The Group recorded profit before tax of RM 2.6 million for the current quarter as compared to profit before tax of RM 2.5 million in the immediate preceding quarter. The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments.



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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**

With the Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 as announced by Bank Negara Malaysia, the Malaysia economy is expected to improve further in the second half of this year. Nevertheless, the Group believe there are still uncertainties and challenges looming over the property industry. These include elevated building material costs, labour supply shortages, rising interest rates and inflationary pressure. Amidst the ongoing headwinds, the Group remain optimistic and committed to focus on monetising its inventories and progressing its development projects for timely completion as well as launching of new products that continue to tap into underlying customer demands.

Barring these uncertainties, the Group target to deliver vacant possession for Priya Kuantan and OCR Selayang Industrial Park from the second half of the year onwards. Coupled with the on-going progress of the existing developments, they are expected to generate sustainable earnings and liquidity to the Group.

**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**

	<b>Group</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year to date</b>	<b>Year to date</b>
	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	5	1
Deferred tax	-	-
Income tax expenses	5	1
Effective tax rate	0%	0.01%

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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**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 19 August 2022, being the last practicable date from the date of the issue of this report, except the following:

**(a) Status of Utilisation of Proceeds**

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

The first three tranches of the private placement were initiated on 19 January 2022, 20 January 2022 and 22 June 2022 following the listing and quotation for a total of 142,000,000 new ordinary shares at an average price of RM 0.1186 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 16.84 million.

The status of the utilization of proceeds arising from the private placement as at 19 August 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	15,900	15,900 <sup>(1)</sup>	-
(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	-
<b>Total</b>		<b>16,840</b>	<b>16,840</b>	<b>-</b>

*Note:-*

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



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**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 30.06.2022 RM'000</b>
Secured:	
Current liabilities	
- Bank overdrafts	9,637
- Revolving credit	15,000
- Term loan	20,825
- Trust receipt	4,997
	<hr/> 50,459 <hr/>
Non-current liabilities	
- Term loan	55,137
- Bank overdrafts	3,844
	<hr/> 58,981 <hr/>
Unsecured:	
Current liabilities	
- Lease liabilities	1,065
	<hr/> 1,065 <hr/>
Non-current liabilities	
- Lease liabilities	3,224
	<hr/> 3,224 <hr/>
Total Borrowings	<hr/> <b>113,729</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.



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### **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 19 August 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) as a consequence of the above, an order that the Power of Attorney be revoked and/or cancelled.

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

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

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

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

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

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



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

**9. Dividend**

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

**10. Earnings Per Share**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year Period 30.06.2021 RM'000
<b>(a) Basic loss per share</b>				
Net loss attributable to the owners for the period	(3,490)	(12,647)	(1,329)	(12,584)
Weighted average number of ordinary shares issued ('000)	681,043	455,933	681,043	455,933
Effects of: -				
- Private placement ('000)	93,782	35,033	93,782	35,033
- ICPS ('000)	-	2,298	-	2,298
- Warrant D ('000)	1	-	1	-
- Acquisition of subsidiary	67,263	-	67,263	-
Weighted average number of ordinary shares in issue ('000)	842,089	493,264	842,089	493,264
Basic loss per share (sen)	(0.41)	(2.56)	(0.16)	(2.55)



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

**10. Earnings Per Share (Cont'd)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year Period 30.06.2021 RM'000
<b>(b) Diluted loss per share</b>				
Net loss attributable to the owners for the period	(3,490)	(12,647)	(1,329)	(12,584)
Weighted average number of ordinary shares issued ('000)	842,089	493,264	842,089	493,264
- Adjustment for assumed conversion of ICPS ('000)	-	52,497	-	52,497
- Adjustment for assumed conversion of Warrant D ('000)	-	5,918	-	5,918
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	842,089	551,679	842,089	551,679
Diluted loss per share (sen)	(0.41)	(2.29)	(0.16)	(2.28)

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

	Group	
	Current Year Quarter 30.06.2022 RM'000	Current Year to date 30.06.2022 RM'000
Interest income	(82)	(183)
Interest expense	1,452	2,902
Depreciation	439	877
Rental expenses	125	252
Rental income	(64)	(113)



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**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  
25 August 2022