



**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 2022*

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2022 RM'000	Preceding Year Quarter 31.03.2021 RM'000	Current Year To Date 31.03.2022 RM'000	Preceding Year To Date 31.03.2021 RM'000
Revenue	24,720	22,454	24,720	22,454
Cost of sales	(22,439)	(18,454)	(22,439)	(18,454)
Gross profit	2,281	4,000	2,281	4,000
Other income	4,837	201	4,837	201
Other operating expenses	(495)	(233)	(495)	(233)
Administrative expenses	(2,665)	(2,395)	(2,665)	(2,395)
Finance costs	(1,450)	(1,381)	(1,450)	(1,381)
Share of loss from associate	-	(14)	-	(14)
Profit before tax	2,508	178	2,508	178
Income tax expenses	-	(76)	-	(76)
<b>Profit after taxation for the financial period</b>	<b>2,508</b>	<b>102</b>	<b>2,508</b>	<b>102</b>
<b>Other comprehensive income</b>				
Fair value gain of equity instruments designated at fair value through other comprehensive income	535	-	535	-
<b>Total comprehensive income for the financial period</b>	<b>3,043</b>	<b>102</b>	<b>3,043</b>	<b>102</b>

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

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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2022 RM'000	Preceding Year Quarter 31.03.2021 RM'000	Current Year To Date 31.03.2022 RM'000	Preceding Year To Date 31.03.2021 RM'000
<b>Income after taxation attributable to:</b>					
Owners of the Company		2,161	63	2,161	63
Non-Controlling Interests		347	39	347	39
		<hr/>	<hr/>	<hr/>	<hr/>
		2,508	102	2,508	102
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	B11	2,696	63	2,696	63
Non-Controlling Interests		347	39	347	39
		<hr/>	<hr/>	<hr/>	<hr/>
		3,043	102	3,043	102
		<hr/>	<hr/>	<hr/>	<hr/>
Earnings/(Loss) per share ("EPS") (in sen)					
- Basic	B10	0.27	0.01	0.27	0.01
		<hr/>	<hr/>	<hr/>	<hr/>
- Diluted	B10	0.27	0.01	0.27	0.01
		<hr/>	<hr/>	<hr/>	<hr/>

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

	Note	As at 31.03.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment in an associate		304	344
Other investments		5,762	5,227
Property, plant and equipment		5,540	2,993
Investment property		20,786	22,529
Right-of-use asset		10,720	11,070
Inventories		27,694	27,694
Trade and other receivable		19,436	19,436
		90,242	89,293
<b>Current Assets</b>			
Inventories		246,055	161,216
Contract Cost		13,554	7,610
Trade and other receivables		152,902	113,635
Contract assets		40,599	35,325
Current tax assets		126	106
Cash and cash equivalents		34,652	30,932
		487,888	348,824
<b>TOTAL ASSETS</b>		578,130	438,117
<b>EQUITY AND LIABILITIES</b>			
Share capital		238,201	211,100
Reserves		(51,210)	(53,975)
Shareholders' funds		186,991	157,125
Non-controlling interests		18,706	140
<b>TOTAL EQUITY</b>		205,697	157,265
<b>Non-Current Liabilities</b>			
Lease liabilities	B7	3,497	479
Loans and borrowings	B7	62,600	67,573
Trade payables		26,598	26,598
		92,695	94,650
<b>Current Liabilities</b>			
Lease liabilities	B7	1,051	127
Loans and borrowings	B7	53,119	54,275
Trade and other payables		115,802	127,552
Current tax liabilities		981	1,389
Contract liabilities		108,785	2,859
		279,738	186,202
<b>TOTAL LIABILITIES</b>		372,433	280,852
<b>TOTAL EQUITY AND LIABILITIES</b>		578,130	438,117
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		0.21	0.23

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



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Changes in Equity  
For the financial period ended 31 March 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>	211,100	-	739	-	(54,714)	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								
- Warrant D	-	-	-	-	-	-	-	-
- Private Placement	12,985	-	-	-	-	12,985	-	12,985
Share options issued	-	-	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
<b>Balance as at 31 March 2022</b>	<b>238,201</b>	<b>-</b>	<b>808</b>	<b>-</b>	<b>(52,018)</b>	<b>186,991</b>	<b>18,706</b>	<b>205,697</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 31 March 2021 (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 31 March 2022*

	Current Year to date 31.03.2022 RM'000	Preceding Year to date 31.03.2021 RM'000
<b>Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>2,508</b>	<b>178</b>
Adjustments for:		
Non-cash items	(3,895)	247
Non-operating items	1,418	1,404
<i>Operating profit before working capital changes</i>	<b>31</b>	<b>1,829</b>
Net change in current assets	(7,522)	(1,932)
Net change in current liabilities	(14,263)	1,957
<i>Cash used in operations</i>	<b>(21,754)</b>	<b>1,854</b>
Tax paid	(428)	(854)
<i>Net cash (used in)/ from operating activities</i>	<b>(22,182)</b>	<b>1,000</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	-	(7)
Investment in quoted shares	-	(2,272)
Decrease in pledged fixed deposits with licensed banks	(76)	(111)
Interest received	101	120
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	17,075	-
<i>Net cash from/(used in) investing activities</i>	<b>19,330</b>	<b>(2,270)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(1,450)	(1,381)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	12,985	-
Drawdown of bank borrowings	2,147	4,233
Repayment of bank borrowings	(6,700)	(1,122)
<i>Net cash from financing activities</i>	<b>6,982</b>	<b>1,730</b>
<i>Net cash increased in cash and cash equivalents</i>	<b>4,130</b>	<b>460</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>1,751</b>	<b>5,071</b>



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

	<b>Current Year to date 31.03.2022 RM'000</b>	<b>Preceding Year to date 31.03.2021 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits with licensed banks	18,986	18,726
Cash and bank balances	15,666	17,289
Bank overdrafts	(13,915)	(12,218)
	<b>20,737</b>	<b>23,797</b>
Less: Fixed deposit pledged to licensed banks	(18,986)	(18,726)
	<b>1,751</b>	<b>5,071</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 in the current quarter.

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

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

- (i) an issuance of 102,000,000 new ordinary shares at an issuance price of RM 0.1273 per ordinary share via private placement to eligible investors for a total cash consideration of RM12,984,600 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 31 December 2021:

31 March 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	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)
<b>Consolidated Profit Before Tax</b>					<b>2,508</b>
<b>ASSETS</b>					
Segment Assets	82,554	427,785	248,412	(180,621)	578,130
<b>LIABILITIES</b>					
Segment Liabilities	50,463	334,224	31,858	(44,112)	372,433
<b>OTHER INFORMATION</b>					
Capital Expenditure	2,852	-	-	-	2,852
Depreciation and Amortisation	229	170	39	-	438
Other Non-Cash Expenses	-	-	-	-	-

31 March 2021	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	6,246	16,150	708	(650)	22,454
Segment Results (EBITDA)	1,532	478	(409)	191	1,792
Finance Cost	(495)	(710)	(176)	-	(1,381)
Depreciation and Amortisation	(31)	(125)	(77)	-	(233)
<b>Consolidated Profit Before Tax</b>					<b>178</b>
<b>ASSETS</b>					
Segment Assets	106,889	243,795	171,775	(161,398)	361,061
<b>LIABILITIES</b>					
Segment Liabilities	98,052	232,548	43,229	(154,364)	219,465
<b>OTHER INFORMATION</b>					
Capital Expenditure	3	-	4	-	7
Depreciation and Amortisation	31	125	77	-	233
Other Non-Cash Expenses	-	-	-	-	-



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

**8. Segment Information (Cont'd)**

***GEOGRAPHICAL SEGMENT***

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

	Revenue by location of customers		Segments assets by location of assets		Capital expenditure by location of assets	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Malaysia	24,720	22,454	578,130	361,061	2,852	7
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>24,720</b>	<b>22,454</b>	<b>578,130</b>	<b>361,061</b>	<b>2,852</b>	<b>7</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 23 May 2022, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 31 March 2022.

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

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



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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 23 May 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 31.03.2022 RM'000</b>	<b>As at 31.03.2021 RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	95,266	75,128
	95,266	75,128

There were no contingent assets since the last annual balance sheet as at 31 March 2022.

**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 Year To Date 31.03.2022 RM'000</b>	<b>Preceding Year To Date 31.03.2021 RM'000</b>
<b><u>Inter Company Transactions</u></b>		
Progress billing to a company which has substantial financial interest	4,331	2,847
Marketing fee to a company which has substantial financial interest	555	385
Subcontractor fee to a company which has substantial financial interest	12,372	1,292
	12,372	1,292

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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	24,720	22,454	24,720	22,454
Profit/(Loss) before tax	2,508	178	2,508	178

The revenue of RM24.7 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 revenue in the current and cumulative periods under review were derived from the sales by Isola at KLCC, PRIYA at Kuantan and The Mate at Damansara Jaya.

Construction Segment

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

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

	Individual Quarter	
	31.03.2022 RM'000	31.12.2021 RM'000
Revenue	24,720	14,657
Profit/(Loss) before tax	2,508	1,851

With the improvement in sales and site activities, the Group's revenue grew significantly from RM14.7 million in the immediate preceding quarter to RM24.7 million in the current quarter.

The Group recorded Profit before Tax of RM2.5 million for the current quarter as compared to Profit before Tax of RM1.9 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, as well as the Bargain Purchase recognised on the completion of the acquisition of OCR Selayang Industrial Park Sdn. Bhd on 7 March 2022.



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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**

Malaysia’s economy is expected to improve from the recovery stage and achieve a more sustainable growth moving forward, following the full reopening of market and borders since the 1st Quarter of 2022.

However, there are also some new challenges in the global and local markets, these include but not limited to Russia’s war on Ukraine and the renewed geopolitical rivalry between great powers, outbreak of new COVID-19 variants, the increase of minimum wage to RM1,500 per month, the increase of Overnight Policy Rate (“OPR”) by 25 basis points with expected further increase in the coming quarters, as well as the soon-to-be-held 15th Malaysian General Elections.

Despite the positive momentum in development and construction activities within the Group, the sharp rise in raw material prices and labor cost continue to have negative affect to the Group, and the industry as a whole. The Group remains vigilant of the economic obstacles, while strengthening fundamentals and initiating various mitigating steps against the competitive yet struggling industry environment. These include proactive and dynamic management of procurement processes and contractors, as well as adoption of various innovative construction technologies in our projects.

Meanwhile, the Group is seeing and experiencing a steady restoration of consumer spending. We are closely monitoring the market condition for potential new launches in the 2nd half of 2022. We are also constantly re-evaluating and renewing our sales strategies as well as digital marketing efforts, in order to do well under the new market norms.

We will also continue to explore on any potential opportunities for joint ventures or mergers and acquisitions, which will further add value to the Group and our shareholders.

The Group remained optimistic on its prospects, especially in the medium-to long-term horizon.

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

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

**5. Income Tax Expenses**

	<b>Group</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year to date</b>	<b>Year to date</b>
	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>RM’000</b>	<b>RM’000</b>
Income tax	-	76
Deferred tax	-	-
Income tax expenses	-	76
Effective tax rate	0%	43%



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

**5. Income Tax Expenses (Cont'd)**

No provision for taxation on profit for current year is made as taxation is computed after taking into consideration of the available capital allowances and the adjusted business losses carried forward from previous years.

**6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 May 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 proposed allotment and issuance of up to 206,352,000 new ordinary shares.

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

The status of the utilization of proceeds arising from the private placement as at 23 May 2022:-

Utilisation of proceeds	Expected timeframe	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	12,045	<sup>(1)</sup> 12,045	-
(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>12,985</b>	<b>12,985</b>	<b>-</b>

Note:-

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





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**7. Borrowings and Debt Securities**

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

	<b>As at 31.03.2022 RM'000</b>
Secured:	
Current liabilities	
- Bank overdrafts	10,072
- Revolving credit	15,000
- Term loan	23,048
- Trust receipt	4,999
	53,119
Non-current liabilities	
- Term loan	58,757
- Bank overdrafts	3,843
	62,600
Unsecured:	
Current liabilities	
- Lease liabilities	1,051
	1,051
Non-current liabilities	
- Lease liabilities	3,497
	3,497
<b>Total Borrowings</b>	<b>120,267</b>

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 31.03.2022 RM'000</b>
Ringgit Malaysia	120,267



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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 23 May 2022, except the following:

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

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

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

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

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

On 11 September 2019, the Plaintiff applied for and was granted an ad interim injunction until 30 September 2019, subject to undertaking as to damages (“Ad Interim Injunction”).

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

On 30 September 2019, the Plaintiff applied for and was granted an extension of the Ad Interim Injunction until 14 October 2019.

On 14 October 2019, the Plaintiff was subsequently granted with another extension of the Ad Interim Injunction until the disposal of the Injunction Application and Striking Out Applications, subject to undertaking as to damages.

On 4 October 2021, the Plaintiff put in an application for stay of all the proceedings (“Stay Application”). During the case management on 11 January 2022, the Court fixed 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.

During the case management on 29 March 2022, the Plaintiff’s solicitors informed that they had received the GOJ of Suit 603 and will file an affidavit in respect of the GOJ.



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

**8. Material Litigation (Cont'd)**

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

In the hearing on 26 April 2022, the Court has fixed the OS, Striking Out Applications and Injunction Application for decision on 27 May 2022.

**9. Dividend**

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

**10. Earnings Per Share**

	Individual Quarter		Cumulative Period	
	Current Year	Preceding	Current	Preceding Year
	Quarter 31.03.2022 RM'000	Year Quarter 31.03.2021 RM'000	Year To Date 31.03.2022 RM'000	Period 31.03.2021 RM'000
<b>(a) Basic earnings per share</b>				
Net earnings for the period	2,161	63	2,161	63
Weighted average number of ordinary shares issued ('000)	681,043	455,933	681,043	455,933
Effects of: -				
- Private placement ('000)	81,472	-	81,472	-
- ICPS ('000)	-	1,300	-	1,300
- Warrant D ('000)	1	-	1	-
- Acquisition of subsidiary	29,154	-	29,154	-
Weighted average number of ordinary shares in issue ('000)	791,670	457,233	791,670	457,233
Basic earnings per share (sen)	0.27	0.01	0.27	0.01

**(b) Diluted earnings per share**

The basic and diluted earning per ordinary shares is the same as the Company has no dilutive potential ordinary shares.



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

	<b>Group</b>	
	<b>Current Year</b>	<b>Current</b>
	<b>Quarter</b>	<b>Year to date</b>
	<b>31.03.2022</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	(101)	(101)
Interest expense	1,450	1,450
Depreciation	438	438
Rental expenses	128	128
Rental income	(49)	(49)

**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  
27 May 2022