



**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 2023

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2023 RM'000	Preceding Year Quarter 30.06.2022 RM'000	Current Year To Date 30.06.2023 RM'000	Preceding Year To Date 30.06.2022 RM'000
Revenue		32,825	69,362	68,724	94,082
Cost of sales		(28,247)	(58,516)	(58,089)	(80,955)
Gross profit		4,578	10,846	10,635	13,127
Other income		2,695	(3,997)	3,712	840
Other operating expenses		(782)	(506)	(1,384)	(1,001)
Administrative expenses		(4,541)	(2,304)	(8,858)	(4,969)
Finance costs		(1,246)	(1,452)	(2,524)	(2,902)
Share of loss from associate		(1)	(2)	(2)	(2)
Profit before tax		703	2,585	1,579	5,093
Income tax expenses	B5	(415)	(5)	(605)	(5)
<b>Profit after taxation for the financial period</b>		288	2,580	974	5,088
<b>Other comprehensive income/(loss)</b>					
Fair value gain/(loss) of equity instruments designated at fair value through other comprehensive income		138	(416)	(218)	119
<b>Total comprehensive income for the financial period</b>	B11	426	2,164	756	5,207

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*



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*Condensed Consolidated Statement of Comprehensive Income (Unaudited)*  
*For the financial quarter ended 30 June 2023 (Cont'd)*

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding	Current	Preceding
		Quarter	Year Quarter	Year To Date	Year To Date
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		RM'000	RM'000	RM'000	RM'000
<b>Profit/(loss) after taxation</b>					
<b>attributable to:</b>					
Owners of the Company		90	(3,490)	147	(1,329)
Non-Controlling Interests		198	6,070	827	6,417
		<u>288</u>	<u>2,580</u>	<u>974</u>	<u>5,088</u>
<b>Total comprehensive income/(loss)</b>					
<b>attributable to:</b>					
Owners of the Company		228	(3,906)	(71)	(1,210)
Non-Controlling Interests		198	6,070	827	6,417
		<u>426</u>	<u>2,164</u>	<u>756</u>	<u>5,207</u>
Earning/(Loss) per share					
('EPS/LPS') (in sen)					
- Basic	B10	<u>0.01</u>	<u>(0.41)</u>	<u>0.01</u>	<u>(0.16)</u>
- Diluted	B10	<u>0.01</u>	<u>(0.41)</u>	<u>0.01</u>	<u>(0.16)</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Financial Position*  
*As at 30 June 2023*

	Note	As at 30.06.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment in an associate		141	142
Other investments		5,207	5,425
Property, plant and equipment		6,832	6,382
Investment property		34,423	27,188
Right-of-use asset		10,515	10,628
Inventories		27,685	27,685
Deferred tax assets		105	-
Trade and other receivable		20,016	18,539
		<u>104,924</u>	<u>95,989</u>
<b>Current Assets</b>			
Inventories		185,277	181,004
Contract Cost		9,825	8,056
Trade and other receivables		173,309	159,434
Contract assets		27,991	19,433
Current tax assets		833	462
Cash and short-term deposits		24,893	24,151
		<u>422,128</u>	<u>392,540</u>
<b>TOTAL ASSETS</b>		<u>527,052</u>	<u>488,529</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		244,458	244,458
Reserves		(61,672)	(61,601)
Shareholders' funds		182,786	182,857
Non-controlling interests		16,181	15,354
<b>TOTAL EQUITY</b>		<u>198,967</u>	<u>198,211</u>
<b>Non-Current Liabilities</b>			
Lease liabilities		135	175
Loans and borrowings	B7	121,279	88,614
Deferred tax liabilities		444	-
Trade payables		30,737	20,762
		<u>152,595</u>	<u>109,551</u>
<b>Current Liabilities</b>			
Lease liabilities		275	180
Loans and borrowings	B7	44,755	48,585
Trade and other payables		128,993	129,931
Current tax liabilities		339	156
Contract liabilities		1,128	1,915
		<u>175,490</u>	<u>180,767</u>
<b>TOTAL LIABILITIES</b>		<u>328,085</u>	<u>290,318</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>527,052</u>	<u>488,529</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<u>0.18</u>	<u>0.18</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Changes in Equity*  
*For the financial period ended 30 June 2023*

	< ----- Attributable to owners of the company ----- >						
	< ----- Non-Distributable ----- >			Distributable			
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2023</b>	<b>244,458</b>	<b>1,421</b>	<b>613</b>	<b>(63,635)</b>	<b>182,857</b>	<b>15,354</b>	<b>198,211</b>
Profit after taxation	-	-	-	147	147	827	974
Total comprehensive loss for the period	-	(218)	-	-	(218)	-	(218)
Transaction with owners of the company:							
Issuance of ordinary share pursuant to:							
exercise of							
- Private Placement	-	-	-	-	-	-	-
Share options lapsed	-	-	-	-	-	-	-
Share issued on the acquisition of a subsidiary	-	-	-	-	-	-	-
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>244,458</b>	<b>1,203</b>	<b>613</b>	<b>(63,488)</b>	<b>182,786</b>	<b>16,181</b>	<b>198,967</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 2022 and the accompanying explanatory notes attached to the interim financial statements.*



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*Condensed Consolidated Statement of Changes in Equity*  
*For the financial period ended 30 June 2023 (Cont'd)*

< ----- Attributable to owners of the company ----- >							
< ----- Non-Distributable ----- >      Distributable							
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2022</b>	<b>211,100</b>	<b>1,223</b>	<b>739</b>	<b>(55,937)</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							
- Private Placement	16,841	-	-	-	16,841	-	16,841
Share options lapsed	-	-	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>1,342</b>	<b>877</b>	<b>(57,266)</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 2022 and the accompanying explanatory notes attached to the interim financial statements.*



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Cash Flows*  
*For the financial period ended 30 June 2023*

	<b>Current Year To Date 30.06.2023 RM'000</b>	<b>Preceding Year To Date 30.06.2022 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>1,579</b>	<b>5,093</b>
Adjustments for:		
Non-cash items	(1,187)	698
Non-operating items	2,297	2,857
<i>Operating profit before working capital changes</i>	<b>2,689</b>	<b>8,648</b>
Net change in current assets	(28,546)	(33,290)
Net change in current liabilities	9,222	(11,967)
<i>Cash used in operations</i>	<b>(16,635)</b>	<b>(36,609)</b>
Interest Paid	(4,281)	(2,902)
Interest received	227	183
Tax paid	(455)	(880)
<i>Net cash used in operating activities</i>	<b>(21,144)</b>	<b>(40,208)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,375)	(264)
Decrease/(Increase) in pledged fixed deposits with licensed banks	959	(149)
Proceeds from disposal of right-of-use asset	-	430
Subsequent expenditure of investment property	(5,467)	-
Proceeds from disposal of investment property	-	1,800
Acquisition of subsidiaries, net of cash and cash equivalents	-	30,322
<i>Net cash (used in)/from investing activities</i>	<b>(5,883)</b>	<b>32,139</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	-	16,841
Drawdown of bank borrowings	48,023	3,564
Repayment of bank borrowings	(18,018)	(12,894)
Repayment of lease liabilities	(107)	-
<i>Net cash from financing activities</i>	<b>29,898</b>	<b>7,511</b>
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	<b>2,871</b>	<b>(558)</b>
<i>Cash and cash equivalents at beginning of the financial year</i>	<b>(7,059)</b>	<b>(2,379)</b>
<i>Cash and cash equivalents at end of the financial period</i>	<b>(4,188)</b>	<b>(2,937)</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 2022 and the accompanying explanatory notes attached to the interim financial statements.*



**OCR Group Berhad**  
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*Condensed Consolidated Statement of Cash Flows*  
*For the financial period ended 30 June 2023 (Cont'd)*

	<b>Current Year To Date 30.06.2023 RM'000</b>	<b>Preceding Year To Date 30.06.2022 RM'000</b>
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits with licensed banks	18,278	19,059
Cash and bank balances	6,615	10,544
Bank overdrafts	(10,803)	(13,481)
	<b>14,090</b>	<b>16,122</b>
Less: Fixed deposit pledged to licensed banks	(18,278)	(19,059)
	<b>(4,188)</b>	<b>(2,937)</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 2022 and the accompanying explanatory notes attached to the interim financial statements.*



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

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

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2022.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the latest audited financial statements for the financial year ended 31 December 2022, except for the adoption of the new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards.

(a) Adoption of amendments/improvement to MFRSs

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

<u>New MFRS</u>		<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 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	1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>



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

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

- (a) Adoption of amendments/improvement to MFRSs

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

<u>Amendments/Improvements to MFRSs</u>	<b>Effective for financial periods beginning on or after</b>
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>
<i>#Amendments as to the consequence of effective of MFRS 17 Insurance Contracts</i>	

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

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

<u>Amendments/Improvements to MFRSs</u>	<b>Effective for financial periods beginning on or after</b>
MFRS 7                          Financial Instruments: Disclosures	1 January 2024
MFRS 10                        Consolidated Financial Statements	Deferred
MFRS 16                        Leases	1 January 2024
MFRS 101                       Presentation of Financial Statements	1 January 2024
MFRS 128                       Investments in Associates and Joint Ventures	Deferred

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



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

**2. Status of Audit Qualifications**

The audited financial statements of the Group for the financial year ended 31 December 2022 was not subject to any audit qualification.

**3. Seasonality or Cyclicity of Operations**

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

**4. Unusual Items**

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

**5. Changes in Estimates**

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

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

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

**7. Dividend**

There were no dividends paid during the current quarter.



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

**8. Segment Information**

The following is an analysis of the consolidated revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 June 2023:

Quarter 30 June 2023	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	8,576	34,074	1,945	(11,770)	32,825
Segment Results (EBITDA)	(5,002)	7,432	(492)	637	2,575
Finance Cost	(603)	(341)	(302)	-	(1,246)
Depreciation and Amortisation	(387)	(183)	(56)	-	(626)
<b>Consolidated Profit Before Tax</b>					703
<b>ASSETS</b>					
Segment Assets	77,312	434,566	285,812	(270,638)	527,052
<b>LIABILITIES</b>					
Segment Liabilities	35,215	306,710	45,327	(59,167)	328,085
<b>OTHER INFORMATION</b>					
Capital Expenditure	-	914	2,011	-	2,925
Depreciation and Amortisation	387	183	56	-	626
Other Non-Cash Expenses	(1,841)	(389)	(176)	-	(2,406)

Quarter 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>					2,585
<b>ASSETS</b>					
Segment Assets	86,522	397,841	252,098	(219,960)	516,501
<b>LIABILITIES</b>					
Segment Liabilities	56,420	291,970	31,579	(57,904)	322,065
<b>OTHER INFORMATION</b>					
Capital Expenditure	-	-	-	-	-
Depreciation and Amortisation	273	150	16	-	439
Other Non-Cash Expenses	-	-	-	-	-



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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 16 August 2023, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 30 June 2023.

**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 2023 except that on 19 May 2023, the Company disposed Amazing Symphony Sdn Bhd (“ASSB”), a wholly-owned subsidiary of the Company for consideration of RM1. Accordingly, ASSB ceased to be a subsidiary of the Company.

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

Since the last annual balance sheet date, there were no material changes in contingent liabilities for the Group as at 16 August 2023, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

The changes in contingent liabilities of the Company are as follows: -

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	147,810	94,440
- to third party in respect of the supply of goods and credit to the subsidiary's project	3,000 <sup>#</sup>	-

<sup>#</sup> Effective from 8 August 2023

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>30.06.2023</b>	<b>30.06.2022</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	20,969	14,103
Marketing fee to a company which has substantial financial interest	546	696
Subcontractor fee to a company which has substantial financial interest	23,318	24,036
	<hr/>	<hr/>

The Directors are of the opinion that all inter-segment and related party 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**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>30.06.2023</b>	<b>30.06.2022</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	32,825	69,362	68,724	94,082
Profit before tax	703	2,585	1,579	5,093

The revenue of RM32.8 million in the current quarter and RM68.7 million in cumulative period were contributed by both the property development and construction segments.

Lower revenue and lower profit before tax were mainly due to contribution from OCR PARC Industrial Selayang in preceding period corresponding quarter, offset by higher sales achieved in current quarter and net reversal of impairment losses on receivables of RM2.1 million.

**Further Analysis by Segments**

**Property Development Segment**

The current quarter revenue was contributed mainly by the project progress recognition from Isola at KLCC of RM8.9 million, The Mate at Damansara Jaya of RM6.3 million, Priya Kuantan of RM5.4 million and Stellar Damansara of RM1.9 million respectively.

The decrease in revenue compared to preceding period corresponding quarter was largely attributed to higher contribution from OCR PARC Industrial Selayang and Priya Kuantan in the preceding period corresponding quarter amounting to RM53.9 million, cushioned by higher revenue contribution from Isola at KLCC, The Mate at Damansara and Stellar Damansara amounting to RM16.4 million.

Lower profit before tax was in line with the decrease in revenue in the current quarter.

**Construction Segment**

YOLO Signature Suites at Bandar Sunway is the main contributor to the segment's revenue both in the current quarter and current year to date. Construction Segment reported slight increase in revenue by RM0.9 million as compared to the preceding period corresponding quarter.

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



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

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

	Individual Quarter	
	30.06.2023 RM'000	31.03.2023 RM'000
Revenue	32,825	35,899
Profit before tax	703	876

The Group's revenue has decreased from RM35.9 million in the preceding quarter to RM32.8 million in the current quarter mainly due to lower contribution from OCR PARC Industrial Selayang which completed in the preceding quarter as well as lower project progress from Priya Kuantan which is nearing completion.

Profit before tax of the Group has declined slightly by RM0.2 million to RM0.7 million for the current quarter. The profit before tax was largely due to lower gross profit contributed from both Property Development segment and Construction segment, which was offset by net reversal of impairment losses on receivables of RM2.1 million in the current quarter.

**3. Current Year Prospects**

The Malaysian economy expanded by 5.6% in the first quarter of 2023, driven mainly by domestic demand and improvement in the labour market condition. Despite global economic challenges and uncertainty, the Malaysian economy is projected to expand by 4% to 5% in 2023.

The property market is expected to remain cautiously optimistic in 2023. The unpredictable external environment, rising interest rate, inflationary pressures and currency volatility will have an effect on the construction and property market sentiment. Notwithstanding this, the accommodative policies, continuous government support, well execution of all planned measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under Ringkasan Intipati Utama Pembentangan Rancangan Malaysia Ke-12 ("RMK-12") are expected to remain supportive of the property sector.

The Group continues its focus on clearing unsold units and inventory and ensuring timely delivery of its existing projects, PRIYA Kuantan, The Mate at Damansara Jaya and Isola at KLCC as well as the sales of its newly launched low density premium project in Damansara Jaya, namely Stellar Damansara. The Group has delivered vacant possession for first phase of Priya Kuantan in July 2023.

The upcoming project launches spans across diversified property classes and locations from affordable housing in Shah Alam to condominiums in the rapidly urbanized Kuantan town. These pipeline launches coupled with the Group's maiden foray into integrated e-commerce logistics hub provides a platform for diversification of property segments and property class while building a platform for diversified sustainable earnings for the Group in the years ahead. The launches will be phased in accordance with the market demand. In addition, the Group continues to take measures in cost efficiency building our competency in cost management.



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

**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>30.06.2023</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	267	5
Deferred tax	338	-
Income tax expenses	605	5
Effective tax rate	38%	0%

The Group's effective tax rate is higher than the statutory income tax rate mainly due to non-deductibility of certain expenses for tax purposes and losses from certain subsidiaries within the Group which cannot be off-set against taxable profits of other subsidiaries in the period under review.

**6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 16 August 2023, being the last practicable date from the date of the issue of this report, except the following:

**(a) Proposed private placement**

On 6 April 2023, the Company proposed to undertake a private placement of up to 395,999,000 new ordinary shares of the Company, representing approximately up to 40% of the existing number of issued shares, to independent third-party investors to be identified later at an issue price to be determined later ("Proposed Private Placement"). On 20 April 2023, Bursa Malaysia Securities Berhad has approved the listing of and quotation for up to 395,999,000 new ordinary shares of the Company to be issued pursuant to the Proposed Private Placement. On 30 May 2023, the Company's shareholders have approved for the Proposed Private Placement.

First tranche of the Proposed Private Placement was completed on 24 July 2023, following the listing and quotation of 125,000,000 new ordinary shares at an issue price of RM0.08 per placement share on the Main Market of Bursa Malaysia, which raised RM10,000,000.

Second tranche of the Proposed Private Placement was completed on 7 August 2023, following the listing and quotation of 125,000,000 new ordinary shares at an issue price of RM0.08 per placement share on the Main Market of Bursa Malaysia, which raised RM10,000,000.



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**6. Corporate Proposals (Cont'd)**

**(a) Proposed private placement (Cont'd)**

As at 16 August 2023, the proposed and status of utilisation of proceeds raised from the Proposed Private Placement is as follows:

Purpose	Intended timeframe for utilisation from completion	Proposed utilisation RM'000	Actual utilisation RM'000	Balance utilised RM'000
Funding for existing and future property development projects	Within 12 months	24,532	13,695	10,837
Estimated expenses for the Proposed Private Placement	Immediate	1,010	282	728
<b>Total</b>		<b>25,542</b>	<b>13,977</b>	<b>11,565</b>

**7. Borrowings and Debt Securities**

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

	As at 30.06.2023 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	9,481
- Revolving credit	15,000
- Term loan	14,221
- Trust receipt	4,897
- Hire purchase liabilities	1,156
	<b>44,755</b>
Non-current liabilities	
- Term loan	117,889
- Bank overdrafts	1,322
- Hire purchase liabilities	2,068
	<b>121,279</b>
<b>Total Borrowings</b>	<b>166,034</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.



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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 16 August 2023, except the following:

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

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

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

The Plaintiff has claimed from OPKSB the following:-

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

On 2 June 2023, a Notice of Discontinuance was filed by the Plaintiff. OPKSB and Plaintiff had on 20 July 2023 executed a Settlement Letter (“SL”) to effect an amicable resolution of the disputes by way of settlement sum payable in the manner as set out in SL.

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

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

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



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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)**

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

The Plaintiff has claimed from OCCSB the following:-

- (a) the sum of RM14,545,000.81 being the outstanding debt;
- (b) the general damages for the breach of the YOLO Project Contract by OCCSB;
- (c) Interest on the outstanding amount at the rate of 5% per annum from the date of Writ filing until date of the judgment;
- (d) Interest on the outstanding amount at the rate of 5% per annum from the date of the judgement until the date of the repayment;
- (e) Costs on a solicitor-client basis; and
- (f) any such further reliefs and/or orders that is thought fit by the proper Honourable Court.

On 2 June 2023, a Notice of Discontinuance was filed by the Plaintiff. OCCSB and Plaintiff had on 20 July 2023 executed a Settlement Letter (“SL”) to effect an amicable resolution of the disputes by way of settlement sum payable in the manner as set out in SL.

**9. Dividend**

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



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

**10. Earnings Per Share**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current Year Quarter 30.06.2023 RM'000</b>	<b>Preceding Year Quarter 30.06.2022 RM'000</b>	<b>Current Year To Date 30.06.2023 RM'000</b>	<b>Preceding Year To Date 30.06.2022 RM'000</b>
<b>(a) Basic earnings per ordinary share</b>				
Net profit/(loss) attributable to the owners for the period	90	(3,490)	147	(1,329)
Weighted average number of ordinary shares issued ('000)	989,998	681,043	989,998	681,043
Effects of: -				
- Private placement ('000)	-	93,782	-	93,782
- Warrant D ('000)	-	1	-	1
- Acquisition of subsidiaries	-	67,263	-	67,263
Weighted average number of ordinary shares in issue ('000)	989,998	842,089	989,998	842,089
Basic earnings/(loss) per ordinary share (sen)	0.01	(0.41)	0.01	(0.16)

**(b) Diluted earnings per ordinary share**

The basic and diluted earnings per ordinary shares is the same as the Company has no diluted potential ordinary shares. The outstanding ESOS are anti-dilutive as the average market price of the Company's shares is lower than the exercise price of the ESOS.



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

**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>30.06.2023</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	(171)	(296)
Interest expense	1,246	2,524
Depreciation	626	1,188
Rental expenses	182	326
Rental income	(88)	(169)
Gain on disposal of a subsidiary	(184)	(184)
Net impairment (gain)/loss on other receivables	(2,164)	(2,124)

**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  
23 August 2023