



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

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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2023 RM'000	Preceding Year Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2023 RM'000	Preceding Year To Date 31.12.2022 RM'000
Revenue	A8	25,980	57,838	146,918	208,354
Cost of sales		(37,656)	(52,630)	(140,804)	(183,783)
Gross (loss)/profit		(11,676)	5,208	6,114	24,571
Other income		1,696	347	4,232	1,753
Other operating expenses		(1,797)	(597)	(3,776)	(2,140)
Administrative expenses		(8,345)	(4,352)	(19,665)	(13,745)
Finance costs		(1,245)	(852)	(6,347)	(4,773)
Share of profit/(loss) from associates		408	(1)	406	(4)
(Loss)/Profit before tax		(20,959)	(247)	(19,036)	5,662
Income tax expenses	B4	(41)	(214)	(667)	(214)
(Loss)/Profit after taxation for the financial year		(21,000)	(461)	(19,703)	5,448
Other comprehensive income/(loss)					
Fair value gain/(loss) of equity instruments designated at fair value through other comprehensive income		435	178	(535)	198
Total comprehensive income/(loss) for the financial period	B10	(20,565)	(283)	(20,238)	5,646

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



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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 December 2023 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding Year	Current	Preceding Year
		Quarter	Quarter	Year To Date	To Date
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation attributable to:					
Owners of the Company		(19,477)	(4,695)	(18,705)	(8,039)
Non-Controlling Interests		(1,523)	4,217	(998)	13,487
		<u>(21,000)</u>	<u>(478)</u>	<u>(19,703)</u>	<u>5,448</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(19,042)	(4,517)	(19,240)	(7,841)
Non-Controlling Interests		(1,523)	4,217	(998)	13,487
		<u>(20,565)</u>	<u>(300)</u>	<u>(20,238)</u>	<u>5,646</u>
Earnings/(Loss) per share (“EPS/LPS”) (in sen)					
- Basic	B9	<u>(1.74)</u>	<u>(0.51)</u>	<u>(1.67)</u>	<u>(0.89)</u>
- Diluted	B9	<u>(1.74)</u>	<u>(0.51)</u>	<u>(1.67)</u>	<u>(0.89)</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 31 December 2023

	Note	As at 31.12.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		546	142
Other investments		4,891	5,425
Property, plant and equipment		5,966	6,382
Investment property		191,031	27,188
Right-of-use asset		10,209	10,628
Inventories		27,685	27,685
Trade and other receivable		17,793	18,539
		<u>258,121</u>	<u>95,989</u>
Current Assets			
Inventories		207,417	181,004
Contract Cost		12,071	8,056
Trade and other receivables		106,290	159,434
Contract assets		21,552	19,433
Current tax assets		385	462
Cash and short-term deposits		25,945	24,151
		<u>373,660</u>	<u>392,540</u>
TOTAL ASSETS		<u>631,781</u>	<u>488,529</u>
EQUITY AND LIABILITIES			
Share capital		275,178	244,458
Reserves		(80,841)	(61,601)
Shareholders' funds		194,337	182,857
Non-controlling interests		10,356	15,354
TOTAL EQUITY		<u>204,693</u>	<u>198,211</u>
Non-Current Liabilities			
Lease liabilities		42	175
Loans and borrowings	B6	108,695	88,614
Trade payables		107,336	20,762
		<u>216,073</u>	<u>109,551</u>
Current Liabilities			
Lease liabilities		235	180
Loans and borrowings	B6	47,246	48,585
Trade and other payables		145,986	129,931
Current tax liabilities		231	156
Contract liabilities		17,317	1,915
		<u>211,015</u>	<u>180,767</u>
TOTAL LIABILITIES		<u>427,088</u>	<u>290,318</u>
TOTAL EQUITY AND LIABILITIES		<u>631,781</u>	<u>488,529</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>0.14</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 year ended 31 December 2023*

	<----- Attributable to owners of the company ----->						
	<----- Non-Distributable ----->			Distributable			
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	244,458	1,421	613	(63,635)	182,857	15,354	198,211
Loss after taxation	-	-	-	(18,705)	(18,705)	(998)	(19,703)
Total comprehensive loss for the year	-	(535)	-	-	(535)	-	(535)
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of - Private Placement	30,720	-	-	-	30,720	-	30,720
Cancellation of share options	-	-	(613)	613	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(4,000)	(4,000)
Balance as at 31 December 2023	275,178	886	-	(81,727)	194,337	10,356	204,693

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 year ended 31 December 2022 (Cont'd)*

	< ----- Attributable to owners of the company ----- >						
	< ----- Non-Distributable ----- >			Distributable			
	Share Capital	Fair Value Reserve of Financial Assets at FVOCI	Share Option Reserve	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	211,100	1,223	739	(55,937)	157,125	140	157,265
(Loss)/Profit after taxation	-	-	-	(8,038)	(8,038)	13,488	5,450
Total comprehensive income for the year	-	198	-	-	198	-	198
Transaction with owners of the company:							
Issuance of ordinary share pursuant to:							
exercise of							
- Private Placement	21,813	-	-	-	21,813	-	21,813
Share options lapsed	-	-	(347)	347	-	-	-
Share options issued	-	-	221	-	221	-	221
Share issued on the acquisition of a subsidiary	11,545	-	-	-	11,545	-	11,545
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	1,719	1,719
Change in ownership interest in a subsidiary	-	-	-	(7)	(7)	7	-
Balance as at 31 December 2022	244,458	1,421	613	(63,635)	182,857	15,354	198,211

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 year ended 31 December 2023

	Current Year To Date 31.12.2023 RM'000	Preceding Year To Date 31.12.2022 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(19,036)	5,662
Adjustments for:		
Non-cash items	996	1,932
Non-operating items	5,879	14,552
<i>Operating profit before working capital changes</i>	(12,161)	22,146
Net change in current assets	(43,888)	(77,695)
Net change in current liabilities	25,592	3,679
<i>Cash used in operations</i>	(30,457)	(51,870)
Interest Paid	(11,865)	(4,415)
Interest received	468	374
Tax paid	(516)	(1,803)
<i>Net cash used in operating activities</i>	(42,370)	(57,714)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,393)	(286)
Purchase of investment property	-	(2,874)
Decrease/(Increase) in pledged fixed deposits with licensed banks	1,571	(327)
Subsequent expenditure of investment property	(3,649)	-
Proceeds from disposal of property, plant and equipment	-	429
Proceeds from disposal of investment property	-	1,800
Acquisition of subsidiaries, net of cash and cash equivalents	-	20,076
<i>Net cash (used in)/from investing activities</i>	(3,471)	18,818
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	30,720	21,813
Drawdown of bank borrowings	58,788	50,077
Repayment of bank borrowings	(40,046)	(37,674)
Repayment of lease liabilities	(256)	-
<i>Net cash from financing activities</i>	49,206	34,216
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	3,365	(4,680)
<i>Cash and cash equivalents at beginning of the financial year</i>	4,914	9,594
<i>Cash and cash equivalents at end of the financial year</i>	8,279	4,914

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

		Current Year To Date 31.12.2023 RM'000	Preceding Year To Date 31.12.2022 RM'000
	Note		
Analysis of cash and cash equivalents:			
Fixed deposits with licensed banks		17,666	19,237
Cash and bank balances	(i)	8,279	4,914
		25,945	24,151
Less: Fixed deposit pledged to licensed banks		(17,666)	(19,237)
		8,279	4,914

Note:

(i) The cash and bank balances exclude the bank overdrafts amounted to RM10,082,000 (2022: RM10,466,000).

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 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2022.

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

(a) Adoption of amendments/improvement to MFRSs

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

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statement of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]



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

1. Basis of Preparation (Cont'd)

- (a) Adoption of amendments/improvement to MFRSs

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

<u>Amendments/Improvements to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 136 Impairment of Assets	1 January 2023 [#]
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 140 Investment Property	1 January 2023 [#]
<i>#Amendments as to the consequence of effective of MFRS 17 Insurance Contracts</i>	

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

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

<u>Amendments/Improvements to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 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 121 The Effects of Changes in Foreign Exchange Rate	1 January 2025
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

During the financial year ended 31 December 2023, the Company increased its issued and paid-up share capital by way of issuance of 395,999,000 new ordinary shares at an average price of RM0.08 per ordinary share via private placement to eligible investors for a total cash consideration of RM30,720,000 to fund existing and future property development projects.

Save for the above, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the financial year apart from the drawdown and repayment of loans and borrowings in the normal course of operations.

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 2023:

Quarter 31 December 2023	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External revenue	15,958	9,907	115	-	25,980
Inter-segment revenue	9,911	1,948	1,756	(13,615)	-
Total revenue	25,869	11,855	1,871	(13,615)	25,980
Segment Results (EBITDA)	(4,159)	(14,014)	(1,478)	571	(19,080)
Finance Cost	(551)	(326)	(368)	-	(1,245)
Depreciation and Amortisation	(364)	(236)	(34)	-	(634)
Consolidated Profit Before Tax	(20,959)				
ASSETS					
<i>Segment Assets</i>	105,094	520,530	314,028	(307,871)	631,781
LIABILITIES					
<i>Segment Liabilities</i>	54,685	425,900	41,570	(95,067)	427,088
OTHER INFORMATION					
<i>Capital Expenditure</i>	-	8	156,172	-	156,180
<i>Depreciation and Amortisation</i>	364	236	34	-	634
<i>Other Non-Cash Expenses</i>	-	(483)	(156)	-	(639)



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

8. Segment Information (cont'd)

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 2023 (cont'd):

Quarter 31 December 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
External revenue	28,040	29,728	70	-	57,838
Inter-segment revenue	982	611	1,625	(3,218)	-
Total revenue	29,022	30,339	1,695	(3,218)	57,838
Segment Results (EBITDA)	4,148	(909)	(322)	(1,782)	1,135
Finance Cost	(236)	(12)	(604)	-	(852)
Depreciation and Amortisation	(398)	(115)	(17)	-	(530)
Consolidated Profit Before Tax					(247)
ASSETS					
<i>Segment Assets</i>	76,670	392,043	264,998	(245,182)	488,529
LIABILITIES					
<i>Segment Liabilities</i>	40,237	241,757	36,832	(28,508)	290,318
OTHER INFORMATION					
<i>Capital Expenditure</i>	963	-	-	-	963
<i>Depreciation and Amortisation</i>	398	115	17	-	530
<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 22 February 2024, 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 December 2023.

11. Changes in the Composition of the Group

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

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 22 February 2024, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

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

	Company	
	As at	As at
	31.12.2023	31.12.2022
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	163,033	118,361
- to third party in respect of the supply of goods and credit to the subsidiary's project	3,000	-
	<hr/>	<hr/>

There were no contingent assets since the date of the latest audited financial statements.

13. Capital Commitments

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



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

14. Significant Inter Company and Related Party Transactions

	Group	
	Current	Preceding
	Year To Date	Year To Date
	31.12.2023	31.12.2022
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	58,479	53,633
Marketing fee to a company which has substantial financial interest	3,248	1,002
Subcontractor fee to a company which has substantial financial interest	44,302	66,238

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

	Individual Quarter		Cumulative Year	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Property Construction	15,958	28,040	93,224	54,308
Property Development	9,907	29,728	53,306	153,820
Others	115	70	388	226
Revenue	25,980	57,838	146,918	208,354
Result	(19,080)	1,135	(10,233)	12,367
Finance Cost	(1,245)	(852)	(6,347)	(4,773)
Depreciation and Amortisation	(634)	(530)	(2,456)	(1,932)
Profit/(Loss) before tax	(20,959)	(247)	(19,036)	5,662

The Group's financial performance for the financial year ending on December 31, 2023, witnessed a 29.5% decline in revenue, amounting to RM146.9 million, in contrast to the previous financial year's RM208.4 million. This reduction in revenue emanated from both the property construction and property development business segments.

The lower revenue recognised in the financial year ending December 31, 2023, was compounded by the provision of Liquidated Ascertained Damages ("LAD") to house buyers attributed to the termination of an underperforming main contractor during the pandemic period. The Group also incurred substantial extra construction costs for the Isola and Priya projects. In light of these, the Group registered a loss before tax of RM19.0 million for the financial year ended December 31, 2023, in contrast to the profit before tax of RM5.6 million recorded a year earlier.

Results of the business segment are analysed below:

Property Development Segment

The revenue for the current quarter was primarily derived from the recognition of project progress in our ongoing projects, including Isola at KLCC, The Mate at Damansara Jaya, Priya Kuantan, and Stellar Damansara.

The observed decline in revenue for both the current quarter, in comparison to the corresponding quarter in the preceding period, and the current financial year, compared to the preceding financial year, can be attributed to several factors. Notably, the high contribution from the project OCR PARC Industrial Selayang, in financial year 2022, which reached completion in the first quarter of 2023, had a significant impact. Additionally, the provision for LAD and the incurrence of additional development costs in the ongoing projects, specifically Priya Kuantan and Isola at KLCC, further influenced the decrease in revenue.



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

1. Detailed Analysis of the Performance of all Operating Segments (Cont'd)

Property Development Segment (cont'd)

It is noteworthy that in the fourth quarter of 2023, the Group successfully addressed challenges and managed to deliver Phase 1 of Priya Kuantan to the house buyers, overcoming delays attributed to issues with an underperforming main contractor. This accomplishment reflects the Group's commitment to project delivery despite adversities, and we remain focused on navigating such challenges with resilience and strategic foresight.

Construction Segment

YOLO Signature Suites at Bandar Sunway is the main contributor to the segment's revenue both in the current quarter and current year to date, which reported a slight increase in revenue by RM1.5 million as compared to the preceding period corresponding quarter and increased by RM5.9 million in the current year compared to preceding year.

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. Prospects

In the face of formidable global economic uncertainties and the challenges posed by escalating interest rates, the outlook for the Malaysian property market in 2024 is met with resolute optimism. The unpredictable external environment, characterized by a confluence of rising interest rates, inflationary pressures, and currency volatility, is expected to significantly influence sentiments within the construction and property sector.

Despite these expected challenges, our Group remains cautiously optimistic about 2024 outlook, well-prepared for potential volatility. This stance is further fortified by strategic initiatives, notably the allocation of RM10 billion to the Housing Credit Guarantee Scheme and the prudent relaxation of MM2H requirements outlined in Budget 2024. These measures are poised to serve as potent catalysts, not only stimulating homeownership among gig economy workers but also eliciting heightened interest from discerning foreign investors.

Undeterred by the multifaceted obstacles encountered in 2023, including the additional development costs incurred for project completion, our Group steadfastly upholds an unwavering commitment to project delivery. Notably, flagship projects such as The Mate at Damansara Jaya and Isola at KLCC are meticulously progressing and are confidently on track for completion in Q3 2024. Concurrently, our strategic focus extends to the diligent execution of sales initiatives for our newly launched low-density premium project in Damansara Jaya, Stellar Damansara, while proactively addressing unsold inventories.

Looking ahead, our Group is strategically poised to introduce a dynamic range of projects, encompassing various property classes and locations. From affordable housing in Shah Alam to a state-of-the-art mixed development project in the rapidly urbanized Kuantan town, these upcoming launches, coupled with our pioneering venture into a Grade A SMART logistics hub, lay a robust foundation for a diversified portfolio across property segments and classes. This strategic approach is poised not only to fortify our market presence but to establish a platform for sustained and diversified earnings in the years to come, with the timing of these launches meticulously phased in alignment with market demand. Additionally, the Group remains unwaveringly proactive in implementing measures for cost efficiency, resolutely reaffirming our steadfast commitment to building and maintaining 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)

3. Variances Between Actual Profit and Forecast Profit

There was no profit forecast made public for the financial year under review.

4. Income Tax Expenses

	Group	
	Current	Preceding
	Year To Date	Year To Date
	31.12.2023	31.12.2022
	RM'000	RM'000
Income tax	667	214
Deferred tax	-	-
	<hr/>	<hr/>
Income tax expenses	667	214
	<hr/>	<hr/>

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 offset against taxable profits of other subsidiaries in the year under review.

5. Corporate Proposals

There were no corporate proposals announced but not completed as at 22 February 2024, 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.



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PART B

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

5. Corporate Proposals (Cont'd)

(a) Proposed private placement (Cont'd)

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.

Third tranche of the Proposed Private Placement was completed on 18 September 2023, following the listing and quotation of 50,000,000 new ordinary shares at an issue price of RM0.08 per placement share on the Main Market of Bursa Malaysia, which raised RM4,000,000.

Fourth tranche of the Proposed Private Placement was completed on 7 November 2023, following the listing and quotation of 41,400,000 new ordinary shares at an issue price of RM0.07 per placement share on the Main Market of Bursa Malaysia, which raised RM2,898,000.

Fifth tranche of the Proposed Private Placement was completed on 29 November 2023, following the listing and quotation of 54,599,000 new ordinary shares at an issue price of RM0.07 per placement share on the Main Market of Bursa Malaysia, which raised RM3,821,930.

As at 22 February 2024, 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	29,710	29,710	-
Estimated expenses for the Proposed Private Placement	Immediate	1,010	1,010	-
Total		30,720	30,720	-



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PART B

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

5. Corporate Proposals (Cont'd)

(b) Multiple proposals – (I) Proposed settlement; (II) Proposed Rights Issue with Warrants; (III) Proposed Exemption 1; (IV) Proposed Exemption 2 and (V) Proposed Exemption 3

On 13 December 2023, the Company announced that it proposed to undertake the following proposals:

- i) proposed settlement of advances amounting to RM43.30 million owing by Stack Builder Sdn Bhd (“Stack Builder”), a 50.5%-owned subsidiary of the Company, to Ong Kah Hoe (“OKH”) and Tan Chin Hoong (“TCH”) (“Stack Builder Advances”) to be satisfied entirely via the issuance of 618,525,646 new ordinary shares in the Company (“OCR Shares” or “Shares”) at an issue price of RM0.0700 per Share (“Settlement Shares”) (“Proposed Settlement”);
- ii) proposed renounceable rights issue of up to 1,336,348,534 new Shares (“Rights Shares”) together with up to 1,336,348,534 free detachable warrants in the Company (“Warrants E”) on the basis of 2 Rights Shares together with 2 Warrants E for every 3 existing Shares held by entitled shareholders of the Company (“Shareholders”) (“Entitled Shareholders”) on an entitlement date to be determined and announced later (“Entitlement Date”) (“Proposed Rights Issue with Warrants”);
- iii) proposed exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“SC”) pursuant to Section 377 of the Capital Market and Services Act, 2007 (“CMSA”) (“Rules”) to OKH, TCH and persons acting in concert (“PACs”) with them from the obligation to undertake a mandatory take-over offer for the remaining OCR Shares and options granted under the Company’s existing employees’ share options scheme (“ESOS”) (“ESOS Options”) (if any) not already held by them (“Mandatory Offer”) upon the completion of the Proposed Settlement (“Proposed Exemption 1”);
- iv) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants (“Proposed Exemption 2”); and
- v) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH and PACs with him from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants (“Proposed Exemption 3”).

The additional listing application in relation to the Proposals has been submitted to Bursa Securities on 14 December 2023.



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

6. Borrowings and Debt Securities

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

	As at 31.12.2023 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	10,082
- Revolving credit	15,000
- Term loan	15,997
- Trust receipt	4,961
- Hire purchase liabilities	1,206
	<hr/> 47,246
Non-current liabilities	
- Term loan	107,243
- Hire purchase liabilities	1,452
	<hr/> 108,695
Total Borrowings	<hr/> 155,941 <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.

7. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 22 February 2024.

8. Dividend

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



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

9. Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2023 RM'000	Preceding Year To Date 31.12.2022 RM'000
(a) Basic earnings per ordinary share				
Net loss attributable to the owners for the year	(19,477)	(4,673)	(18,705)	(8,038)
Weighted average number of ordinary shares issued ('000)	989,998	681,043	989,998	681,043
Effects of: -				
- Private placement ('000)	131,038	137,793	131,038	137,793
- Warrant D ('000)	-	2	-	1
- Acquisition of subsidiaries	-	86,263	-	86,263
Weighted average number of ordinary shares in issue ('000)	1,121,036	905,101	1,121,036	905,100
Basic loss per ordinary share (sen)	(1.74)	(0.52)	(1.67)	(0.89)

(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)

10. Notes to the Statement of Comprehensive Income

	Group	
	Current Year	Current
	Quarter	Year to date
	31.12.2023	31.12.2023
	RM'000	RM'000
Interest income	(119)	(468)
Interest expense	1,245	6,347
Depreciation and amortisation	620	2,443
Rental expenses	24	366
Rental income	(125)	(430)
Gain on disposal of a subsidiary	-	(90)
Net impairment loss on other receivables	1,295	-

11. 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.

12. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 29 February 2024.