



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 September 2023

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.09.2023 RM'000	Preceding Year Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year To Date 30.09.2022 RM'000
Revenue		52,214	56,434	120,938	150,516
Cost of sales		(45,059)	(50,198)	(103,148)	(131,153)
Gross profit		7,155	6,236	17,790	19,363
Other income		665	566	4,289	1,406
Other operating expenses		(595)	(541)	(1,891)	(1,542)
Administrative expenses		(4,303)	(4,424)	(13,161)	(9,393)
Finance costs		(2,578)	(1,019)	(5,102)	(3,921)
Share of loss from associate		-	(1)	(2)	(3)
Profit before tax		344	817	1,923	5,910
Income tax expenses	B5	(21)	5	(626)	-
Profit after taxation for the financial period		323	822	1,297	5,910
Other comprehensive income/(loss)					
Fair value gain/(loss) of equity instruments designated at fair value through other comprehensive income		(752)	(99)	(970)	20
Total comprehensive income/(loss) for the financial period	B11	(429)	723	327	5,930

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 September 2023 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year	Preceding	Current	Preceding
		Quarter	Year Quarter	Year To Date	Year To Date
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation attributable to:					
Owners of the Company		625	(2,036)	772	(3,365)
Non-Controlling Interests		(302)	2,858	525	9,275
		323	822	1,297	5,910
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(127)	(2,135)	(198)	(3,345)
Non-Controlling Interests		(302)	2,858	525	9,275
		(429)	723	327	5,930
Earning/(Loss) per share ('EPS/LPS') (in sen)					
- Basic	B10	0.06	(0.23)	0.07	(0.38)
- Diluted	B10	0.06	(0.23)	0.07	(0.38)

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 September 2023

	Note	As at 30.09.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		140	142
Other investments		4,455	5,425
Property, plant and equipment		6,414	6,382
Investment property		116,477	27,188
Right-of-use asset		10,369	10,628
Inventories		27,685	27,685
Deferred tax assets		390	-
Trade and other receivable		20,137	18,539
		<u>186,067</u>	<u>95,989</u>
Current Assets			
Inventories		192,448	181,004
Contract Cost		13,569	8,056
Trade and other receivables		109,702	159,434
Contract assets		22,944	19,433
Current tax assets		481	462
Cash and short-term deposits		27,085	24,151
		<u>366,229</u>	<u>392,540</u>
TOTAL ASSETS		<u>552,296</u>	<u>488,529</u>
EQUITY AND LIABILITIES			
Share capital		268,458	244,458
Reserves		(61,799)	(61,601)
Shareholders' funds		206,659	182,857
Non-controlling interests		11,879	15,354
TOTAL EQUITY		<u>218,538</u>	<u>198,211</u>
Non-Current Liabilities			
Lease liabilities		62	175
Loans and borrowings	B7	111,847	88,614
Trade payables		30,762	20,762
		<u>142,671</u>	<u>109,551</u>
Current Liabilities			
Lease liabilities		301	180
Loans and borrowings	B7	50,308	48,585
Trade and other payables		130,941	129,931
Current tax liabilities		514	156
Contract liabilities		9,023	1,915
		<u>191,087</u>	<u>180,767</u>
TOTAL LIABILITIES		<u>333,758</u>	<u>290,318</u>
TOTAL EQUITY AND LIABILITIES		<u>552,296</u>	<u>488,529</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		<u>0.16</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 September 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
Profit after taxation	-	-	-	772	772	525	1,297
Total comprehensive loss for the period	-	(970)	-	-	(970)	-	(970)
Transaction with owners of the company:							
Issuance of ordinary share pursuant to:							
exercise of							
- Private Placement	24,000	-	-	-	24,000	-	24,000
Share options lapsed	-	-	-	-	-	-	-
Share issued on the acquisition of a subsidiary	-	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(4,000)	(4,000)
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	-
Balance as at 30 September 2023	268,458	451	613	(62,863)	206,659	11,879	218,538

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 September 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
Balance as at 1 January 2022	211,100	1,223	739	(55,937)	157,125	140	157,265
Profit after taxation	-	-	-	(3,365)	(3,365)	9,275	5,910
Total comprehensive income for the period	-	20	-	-	20	-	20
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	-	-	207	-	207	-	207
Share issued on the acquisition of a subsidiary	14,116	-	-	-	14,116	-	14,116
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	1,719	1,719
Balance as at 30 September 2022	247,029	1,243	946	(59,302)	189,916	11,134	201,050

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 September 2023

	Current Year To Date 30.09.2023 RM'000	Preceding Year To Date 30.09.2022 RM'000
Cash Flows from Operating Activities		
Profit before tax	1,923	5,910
Adjustments for:		
Non-cash items	(562)	1,220
Non-operating items	4,753	3,862
<i>Operating profit before working capital changes</i>	6,114	10,992
Net change in current assets	(44,622)	(38,385)
Net change in current liabilities	7,194	(11,080)
<i>Cash used in operations</i>	(31,314)	(38,473)
Interest Paid	(9,163)	(3,921)
Interest received	349	266
Tax paid	(679)	(1,411)
<i>Net cash used in operating activities</i>	(40,807)	(43,539)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,440)	(1,672)
Decrease/(Increase) in pledged fixed deposits with licensed banks	1,664	(224)
Proceeds from disposal of right-of-use asset	-	430
Subsequent expenditure of investment property	(3,596)	-
Proceeds from disposal of investment property	-	1,800
Acquisition of subsidiaries, net of cash and cash equivalents	-	29,472
<i>Net cash (used in)/from investing activities</i>	(3,372)	29,806
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	24,000	21,813
Drawdown of bank borrowings	51,220	7,055
Repayment of bank borrowings	(24,396)	(19,127)
Repayment of lease liabilities	(180)	-
<i>Net cash from financing activities</i>	50,644	9,741
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	6,465	(3,992)
<i>Cash and cash equivalents at beginning of the financial year</i>	(7,059)	(2,379)
<i>Cash and cash equivalents at end of the financial period</i>	(594)	(6,371)

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 30 September 2023 (Cont'd)

	Current Year To Date 30.09.2023 RM'000	Preceding Year To Date 30.09.2022 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	17,573	19,134
Cash and bank balances	9,512	6,157
Bank overdrafts	(10,106)	(12,528)
	16,979	12,763
Less: Fixed deposit pledged to licensed banks	(17,573)	(19,134)
	(594)	(6,371)

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>		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 Cyclically of Operations

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

4. Unusual Items

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

5. Changes in Estimates

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

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

During the financial period ended 30 September 2023, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 300,000,000 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 RM24,000,000 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 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 September 2023:

Quarter 30 September 2023	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	33,708	31,682	1,929	(15,105)	52,214
Segment Results (EBITDA)	8,496	(3,054)	3,869	(5,754)	3,557
Finance Cost	(540)	(1,511)	(527)	-	(2,578)
Depreciation and Amortisation	(372)	(224)	(39)	-	(635)
Consolidated Profit Before Tax					344
ASSETS					
Segment Assets	99,397	455,323	304,671	(307,095)	552,296
LIABILITIES					
Segment Liabilities	49,482	330,625	37,510	(83,859)	333,758
OTHER INFORMATION					
Capital Expenditure	-	45	2,243	-	2,288
Depreciation and Amortisation	372	224	39	-	635
Other Non-Cash Expenses	-	(9)	205	-	196

Quarter 30 September 2022	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	13,011	42,870	1,502	(949)	56,434
Segment Results (EBITDA)	970	6,318	(299)	(4,678)	2,311
Finance Cost	(286)	(550)	(183)	-	(1,019)
Depreciation and Amortisation	(334)	(124)	(17)	-	(475)
Consolidated Profit Before Tax					817
ASSETS					
Segment Assets	86,486	382,550	259,257	(234,858)	493,435
LIABILITIES					
Segment Liabilities	57,338	268,971	34,296	(68,220)	292,385
OTHER INFORMATION					
Capital Expenditure	1,708	-	-	-	1,708
Depreciation and Amortisation	334	124	17	-	475
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 22 November 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 September 2023, except for the following:

- (i) On 7 November 2023, fourth tranche of the Proposed Private Placement was completed 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.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 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 November 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: -

	Company	
	As at	As at
	30.09.2023	30.09.2022
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	144,212	91,013
- 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
	30.09.2023	30.09.2022
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	42,557	32,416
Marketing fee to a company which has substantial financial interest	3,143	803
Subcontractor fee to a company which has substantial financial interest	33,457	36,010
	<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

	Individual Quarter		Cumulative Period	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Revenue	52,214	56,434	120,938	150,516
Profit before tax	344	817	1,923	5,910

The revenue of RM52.2 million in the current quarter and RM120.9 million in cumulative period were contributed by both the property development and construction segments.

Lower revenue was mainly due to lower contribution from OCR PARC Industrial Selayang which completed in first quarter of 2023 and Priya Kuantan which is nearing completion, offset by higher sales achieved and high project progress from Isola at KLCC and The Mate at Damansara. Lower profit before tax was mainly due to recognition of RM1.1m interest expense on financial assets measured at amortised cost in current quarter.

Further Analysis by Segments

Property Development Segment

The current quarter revenue was contributed mainly by the project progress recognition from Isola at KLCC of RM26.2 million, The Mate at Damansara Jaya of RM5.2 million, Priya Kuantan of RM4.3 million and Stellar Damansara of RM1.8 million respectively.

The decrease in revenue compared to preceding period corresponding quarter was mainly due to lower contribution from OCR PARC Industrial Selayang which completed in first quarter of 2023 and Priya Kuantan which is nearing completion amounting to RM37.6 million, offset by high project progress from Isola at KLCC, The Mate at Damansara and Stellar Damansara which contributed RM31.7 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 RM1.6 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	
	30.09.2023 RM'000	30.06.2023 RM'000
Revenue	52,214	32,825
Profit before tax	344	703

The Group's revenue has increased from RM32.8 million in the preceding quarter to RM52.2 million in the current quarter mainly due to higher contribution from Isola at KLCC project and YOLO Signature Suites construction project.

Despite higher revenue generated in the current quarter, profit before tax of the Group has declined from RM0.7 million in the preceding quarter to RM0.3 million in the current quarter. The lower profit before tax was largely attributed to RM1.1m interest expense on financial assets measured at amortised cost and net reversal of impairment losses on receivables of RM2.1m in the preceding quarter.

3. Current Year Prospects

The Malaysian economy growth slowed to 2.9% in second quarter of 2023 although domestic demand continued to grow at moderated pace. With the global economic challenges and uncertainty, the Malaysia economy is projected to expand close to the lower end of the 4.0% to 5.0% range 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. In addition, allocation of RM10 billion to Housing Credit Guarantee Scheme and relaxation of MM2H requirements outlined in Budget 2024 is expected to increase homeownership among gig economy workers as well as attract more foreign investors.

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 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

	Group	
	Current	Preceding
	Year To Date	Year To Date
	30.09.2023	30.09.2022
	RM'000	RM'000
Income tax	1,016	-
Deferred tax	(390)	-
Income tax expenses	626	-
Effective tax rate	33%	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 22 November 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.



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

6. 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.

As at 22 November 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	29,710	26,304	3,406
Estimated expenses for the Proposed Private Placement	Immediate	1,010	354	656
Total		30,720	26,658	4,062



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

7. Borrowings and Debt Securities

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

	As at 30.09.2023 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	10,106
- Revolving credit	15,000
- Term loan	19,753
- Trust receipt	4,268
- Hire purchase liabilities	1,181
	<hr/> 50,308
Non-current liabilities	
- Term loan	110,084
- Hire purchase liabilities	1,763
	<hr/> 111,847
Total Borrowings	<hr/> 162,155 <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.

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 22 November 2023.

9. 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)

10. Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year To Date 30.09.2022 RM'000
(a) Basic earnings per ordinary share				
Net profit/(loss) attributable to the owners for the period	625	(2,036)	772	(3,365)
Weighted average number of ordinary shares issued ('000)	989,998	681,043	989,998	681,043
Effects of: -				
- Private placement ('000)	59,158	115,482	59,158	115,482
- Warrant D ('000)	-	1	-	1
- Acquisition of subsidiaries	-	79,964	-	79,964
Weighted average number of ordinary shares in issue ('000)	1,049,156	876,490	1,049,156	876,490
Basic earnings/(loss) per ordinary share (sen)	0.06	(0.23)	0.07	(0.38)

(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

	Group	
	Current Year	Current
	Quarter	Year to date
	30.09.2023	30.09.2023
	RM'000	RM'000
Interest income	(132)	(428)
Interest expense	2,578	5,102
Depreciation	635	1,823
Rental expenses	68	394
Rental income	(137)	(306)
Gain on disposal of a subsidiary	-	(184)
Net impairment (gain)/loss on other receivables	(59)	(2,183)

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
29 November 2023