



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 March 2024

| | | Individual Quarter | | Cumulative Period | |
|--|------|--------------------------------------|--|--------------------------------------|--|
| | Note | Current Year Quarter 31.3.2024 | Preceding Year Quarter 31.3.2023 | Current Year to Date 31.3.2024 | Preceding Year to Date 31.3.2023 |
| Revenue | A8 | 33,975 | 35,899 | 33,975 | 35,899 |
| Cost of sales | | (28,397) | (29,842) | (28,397) | (29,842) |
| Gross profit | | 5,578 | 6,057 | 5,578 | 6,057 |
| Other income | | 1,661 | 1,017 | 1,661 | 1,017 |
| Other operating expenses | | (595) | (602) | (595) | (602) |
| Administrative expenses | | (4,372) | (4,317) | (4,372) | (4,317) |
| Finance costs | | (1,416) | (1,278) | (1,416) | (1,278) |
| Share of loss from associates | | - | (1) | - | (1) |
| Profit before tax | | 856 | 876 | 856 | 876 |
| Income tax expenses | B5 | - | (190) | - | (190) |
| Profit after taxation for the financial period | | 856 | 686 | 856 | 686 |
| Other comprehensive income/(loss), net of tax | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | |
| Fair value loss of equity instruments designated at fair value through other comprehensive | | (495) | (356) | (495) | (356) |
| Total comprehensive income for the financial period | B11 | 361 | 330 | 361 | 330 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
(Registration No: 199701025005 (440503-K))
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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 March 2024 (Cont'd)

| | Note | Individual Quarter | | Cumulative Period | |
|--|------|--------------------------------------|--|--------------------------------------|--|
| | | Current Year Quarter 31.3.2024 | Preceding Year Quarter 31.3.2023 | Current Year to Date 31.3.2024 | Preceding Year to Date 31.3.2023 |
| Profit after taxation attributable to: | | | | | |
| Owners of the Company | | 962 | 57 | 962 | 57 |
| Non-controlling interests | | (106) | 629 | (106) | 629 |
| | | 856 | 686 | 856 | 686 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Owners of the Company | | 962 | (299) | 962 | (299) |
| Non-controlling interests | | (106) | 629 | (106) | 629 |
| | | 856 | 330 | 856 | 330 |
| Earnings per share ("EPF") attributable to owners of the Company (sen per share): | | | | | |
| Basic | B10 | 0.07 | 0.01 | 0.07 | 0.01 |
| Diluted | B10 | 0.07 | 0.01 | 0.07 | 0.01 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 March 2024

| | Note | As at 31.3.2024 (Unaudited) RM'000 | As at 31.12.2023 (Audited) RM'000 |
|--------------------------------------|------|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 5,639 | 5,966 |
| Right-of-use assets | | 10,063 | 10,209 |
| Investment properties | | 193,299 | 191,310 |
| Inventories | | 27,685 | 27,685 |
| Investment in associates | | 546 | 545 |
| Trade and other receivables | | 7,661 | 6,137 |
| Other investments | | 7,364 | 7,859 |
| Total non-current assets | | 252,257 | 249,711 |
| Current assets | | | |
| Inventories | | 201,784 | 206,489 |
| Current tax assets | | 399 | 385 |
| Trade and other receivables | | 129,566 | 118,801 |
| Contract assets | | 13,325 | 13,540 |
| Contract costs | | 12,866 | 12,071 |
| Cash and short-term deposits | | 28,645 | 25,945 |
| Total current assets | | 386,585 | 377,231 |
| TOTAL ASSETS | | 638,842 | 626,942 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 275,178 | 275,178 |
| Other reserves | | 392 | 887 |
| Accumulated losses | | (80,761) | (81,723) |
| | | 194,809 | 194,342 |
| Non-controlling interests | | 10,249 | 10,355 |
| TOTAL EQUITY | | 205,058 | 204,697 |
| Non-current liabilities | | | |
| Trade and other payables | | 81,281 | 81,687 |
| Lease liabilities | | 42 | 42 |
| Loans and borrowings | B7 | 124,865 | 104,999 |
| Total non-current liabilities | | 206,188 | 186,728 |
| Current liabilities | | | |
| Trade and other payables | | 151,392 | 171,579 |
| Lease liabilities | | 165 | 235 |
| Loans and borrowings | B7 | 57,271 | 53,910 |
| Current tax liabilities | | 208 | 231 |
| Contract liabilities | | 18,560 | 9,562 |
| Total current liabilities | | 227,596 | 235,517 |
| TOTAL LIABILITIES | | 433,784 | 422,245 |
| TOTAL EQUITY AND LIABILITIES | | 638,842 | 626,942 |
| Net assets per shares (RM) | | 0.14 | 0.14 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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*Condensed Consolidated Statement of Changes in Equity
 For the financial period ended 31 March 2024*

| | ← Attributable to owners of the Company → | | | | | | |
|---|---|---|-------------------------|-----------------------|----------------|----------------------------------|----------------|
| | Share capital | Fair value reserve of financial assets at FVOCI | Share option reserve | Accumulated losses | Total | Non- controlling interests | Total equity |
| Balance as at 1 January 2024 | 275,178 | 887 | - | (81,723) | 194,342 | 10,355 | 204,697 |
| Profit for the period | - | - | - | 962 | 962 | (106) | 856 |
| Other comprehensive loss for the period | - | (495) | - | - | (495) | - | (495) |
| Balance At 31 March 2024 | 275,178 | 392 | - | (80,761) | 194,809 | - | 205,058 |
| | | | | | | | |
| Balance as at 1 January 2023 | 244,458 | 1,421 | 613 | (63,635) | 182,857 | 15,354 | 198,211 |
| Profit for the period | - | - | - | 57 | 57 | 629 | 686 |
| Other comprehensive loss for the period | - | (356) | - | - | (356) | - | (356) |
| Balance At 31 March 2023 | 244,458 | 1,065 | 613 | (63,578) | 182,558 | 15,983 | 198,541 |

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 2023 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2024

| | Current Year to Date 31.3.2024 RM'000 | Preceding Year to Date 31.3.2023 RM'000 |
|---|--|--|
| Cash Flows from Operating Activities | | |
| Profit before tax | 856 | 876 |
| Adjustments for: | | |
| Depreciation of: | | |
| - Property, plant and equipment | 393 | 438 |
| - Right-of-use assets | 146 | 124 |
| - Investment properties | 56 | - |
| Net impairment (gain)/loss on trade and other receivables | (1,320) | 40 |
| Interest expenses | 1,416 | 1,278 |
| Interest income | (125) | (125) |
| Share of results of associates | - | 1 |
| | <hr/> 1,422 | <hr/> 2,632 |
| Changes on working capital: | | |
| Inventories | 4,704 | (20,044) |
| Contract assets/(liabilities) | 9,213 | (901) |
| Contract costs | (795) | (2,256) |
| Trade and other payables | (20,593) | 14,113 |
| Trade and other receivables | (10,968) | (15,800) |
| | <hr/> (17,017) | <hr/> (22,256) |
| Net cash used in operations | | |
| Interest paid | (3,459) | (1,450) |
| Interest received | 125 | 125 |
| Income tax paid | (37) | (350) |
| | <hr/> (20,388) | <hr/> (24,931) |
| Net cash used in operating activities | | |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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*Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2024 (Cont'd)*

| | Note | Current Year to Date 31.3.2024 RM'000 | Preceding Year to Date 31.3.2023 RM'000 |
|---|------|---|---|
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant and equipment | | (66) | (426) |
| Additions to investment properties | | - | (3,491) |
| Increase in pledged fixed deposits with licensed banks | | (31) | (120) |
| Net cash used in investment activities | | (97) | (4,037) |
| Cash Flows from Financing Activities | | | |
| Drawdown of bank borrowings | | 34,612 | 38,078 |
| Repayment of bank borrowings | | (11,384) | (9,972) |
| Repayment of lease liabilities | | (74) | (40) |
| Net cash from financing activities | | 23,154 | 28,066 |
| Net cash increase/(decrease) in cash and cash equivalent | | 2,669 | (902) |
| Cash and cash equivalents beginning of the financial year | | 8,279 | 4,914 |
| Cash and cash equivalents at end of the financial period | | 10,948 | 4,012 |
| Analysis of cash and cash equivalents: | | | |
| Fixed deposits with licensed banks | | 17,697 | 19,357 |
| Cash and bank balances | (i) | 10,948 | 4,012 |
| | | 28,645 | 23,369 |
| Less: Fixed deposits pledged to licensed banks | | (17,697) | (19,357) |
| | | 10,948 | 4,012 |

Note:

The cash and bank balances exclude the bank overdrafts amounted to RM10,934,853 (31.3.2023: RM11,356,977).

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2023.

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 2023, except for the adoption of the new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards.

(a) Adoption of amendments/improvement to MFRSs

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

| <u>Amendments to MFRS</u> | | Effective for the financial periods beginning on or after |
|---------------------------|--------------------------------------|--|
| MFRS 7 | Financial instruments: Disclosures | 1 January 2024 |
| MFRS 16 | Leases | 1 January 2024 |
| MFRS 101 | Presentation of Financial Statements | 1 January 2024 |
| MFRS 107 | Statements of Cash Flows | 1 January 2024 |

A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply Paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and Paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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

1. Basis of Preparation (Cont'd)

- (a) Adoption of amendments/improvement to MFRSs

A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below. (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

- (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 10 | Deferred |
| MFRS 121 | 1 January 2025 |
| MFRS 128 | 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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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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 2023 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

Save for the above, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the financial period-to-date 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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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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 March 2024:

| 3-months ended 31.3.2024 | Property Development RM'000 | Construction RM'000 | Others RM'000 | Adjustments and eliminations RM'000 | Total RM'000 |
|---|--|--------------------------------|--------------------------|--|-------------------------|
| Revenue | | | | | |
| External customers | 33,861 | - | 114 | - | 33,975 |
| Inter-segment | - | 6,200 | 1,936 | (8,136) | - |
| Total revenue | 33,861 | 6,200 | 2,050 | (8,136) | 33,975 |
| Results | | | | | |
| EBITDA | 1,328 | 1,341 | (69) | 267 | 2,867 |
| Finance costs | (687) | (64) | (665) | - | (1,416) |
| Depreciation and amortization | (224) | (297) | (74) | - | (595) |
| Consolidated Profit Before Tax | | | | | 856 |
| As at 31.3.2024 | | | | | |
| Additions to non- current assets | 2,112 | - | - | - | 2,112 |
| Segment assets | 541,117 | 80,311 | 292,237 | (274,823) | 638,842 |
| Segment liabilities | 447,991 | 28,321 | 54,054 | (96,582) | 433,784 |



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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 March 2024 (cont'd):

| 3-months ended 31.3.2023 | Property Development RM'000 | Construction RM'000 | Others RM'000 | Adjustments and eliminations RM'000 | Total RM'000 |
|---|--|--------------------------------|--------------------------|--|-------------------------|
| Revenue: | | | | | |
| External customers | 23,301 | 12,520 | 78 | - | 35,899 |
| Inter-segment | (514) | - | 1,523 | (1,009) | - |
| Total revenue | 22,787 | 12,520 | 1,601 | (1,009) | 35,899 |
| Results | | | | | |
| EBITDA | 1,516 | 1,094 | (7,916) | 8,022 | 2,716 |
| Finance costs | (688) | (287) | (303) | - | (1,278) |
| Depreciation and amortization | (156) | (389) | (17) | - | (562) |
| Consolidated Profit Before Tax | | | | | 876 |
| As at 31.3.2023 | | | | | |
| Additions to non- current assets | - | 426 | 3,491 | - | 3,917 |
| Segment assets | 428,202 | 76,462 | 286,584 | (254,653) | 536,595 |
| Segment liabilities | 295,287 | 37,011 | 45,240 | (39,484) | 338,054 |



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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 May 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 March 2024.

11. Changes in the Composition of the Group

On 4 April 2024, Grand Superland Sdn. Bhd., a wholly owned subsidiary incorporated a private limited liability company known as OCR Templer Sdn. Bhd. ("OTSB"). As a result of the incorporation, OTSB became an indirect subsidiary of the Group.

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 May 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 |
| | 31.3.2024 | 31.3.2023 |
| | RM'000 | RM'000 |
| Corporate guarantees extended: | | |
| - to financial institutions for credit facilities granted to subsidiaries | 163,033 | 146,808 |
| - 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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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER (CONT'D)

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

14. Significant Inter Company and Related Party Transactions

| | Current Year To Date 31.3.2024 RM'000 | Preceding Year To Date 31.3.2023 RM'000 |
|---|--|--|
| <u>Inter Company Transactions</u> | | |
| Progress billing to a company which has substantial financial interest | 1,766 | 18,019 |
| Marketing fee to a company which has substantial financial interest | - | 188 |
| Subcontractor fee to a company which has substantial financial interest | 6,135 | 16,460 |
| Rental expense paid to a company which has substantial financial interest | 119 | - |
| | <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 | |
|-------------------------------|--------------------|------------|-------------------|------------|
| | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | |
| Property Development | 33,861 | 23,301 | 33,861 | 23,301 |
| Property Construction | - | 12,520 | - | 12,520 |
| Others | 114 | 78 | 114 | 78 |
| Revenue | 33,975 | 35,899 | 33,975 | 35,899 |
| EBITA | 2,867 | 2,716 | 2,867 | 2,716 |
| Finance Cost | 1,416 | 1,278 | 1,416 | 1,278 |
| Depreciation and Amortisation | 595 | 562 | 595 | 562 |
| Profit before tax | 856 | 876 | 856 | 876 |

The Group recorded revenue of RM34.0 million and a profit before tax (PBT) of RM0.86 million for the current quarter ended 31 March 2024, compared to revenue of RM35.9 million and a PBT of RM0.88 million in the corresponding quarter of the previous financial year. The decrease in revenue is primarily attributed to the completion of a significant construction project in 2023, and the Group has not embarked on any new construction projects in the current financial year. Nonetheless, the decline in construction revenue has been offset by robust growth in the Property Development segment, which saw a 45% increase in revenue compared to Q1 2023. This higher turnover in the Property Development segment is driven by accelerated progress in ongoing projects, namely Isola KLCC and The Mate, both of which are expected to be completed by the end of 2024. Despite the changes in revenue composition, PBT remained fairly consistent across both quarters.

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 and Stellar Damansara.

Construction Segment

As mentioned above, the construction project of the Group, YOLO Signature Suites at Bandar Sunway was completed in December 2023, and there are no new construction projects for the Group for the quarter under review.



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PART B

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

2. Comparison with preceding quarter's report

| | Current quarter 31.3.2024 RM'000 | Immediate Preceding Quarter 31.12.2023 RM'000 |
|---------------------------------|---|--|
| Segment Revenue | | |
| Property Development | 33,861 | 9,907 |
| Property Construction | - | 15,958 |
| Others | 114 | 115 |
| Revenue | <u>33,975</u> | <u>25,980</u> |
| | | |
| EBITA | 2,867 | (19,080) |
| Finance Cost | (1,416) | (1,245) |
| Depreciation and Amortisation | (595) | (634) |
| Profit/(Loss) before tax | <u>856</u> | <u>(20,959)</u> |

The Group recorded revenue of RM34.0 million and a profit before tax (“PBT”) of RM0.86 million in the current quarter, compared to revenue of RM26.0 million and a loss before tax of RM21.0 million in the immediate preceding quarter. The improved performance in the current quarter is primarily due to the provision for Liquidated Ascertained Damages (“LAD”) and the incurrence of additional development costs in ongoing projects, which were recognized in the immediate preceding quarter.

3. Prospects

Malaysia's economy experienced a significant boost with a 4.2% GDP growth in Q1 2024, up from 2.9% in the previous quarter, driven by resilient domestic expenditure and robust external demand, according to Bank Negara Malaysia (BNM). BNM forecasts a 4.0% to 5.0% economic growth for the year, supported by a stable Overnight Policy Rate (OPR) of 3.0% since May 2023, providing a predictable financial environment for businesses and consumers. This economic stability positively impacts the property development industry by enhancing consumer confidence and increasing investment in real estate projects. Stable interest rates lower borrowing costs, encouraging both developers and buyers to engage in property transactions. Consequently, the demand for residential and commercial properties is expected to rise, leading to a more vibrant and dynamic property market.

In FY2024, OCR will maintain its unwavering focus on project delivery and completion while simultaneously exploring new collaborations within the framework of an internal consolidation strategy. A notable new project launching this financial year is Residensi Akasia, an affordable housing initiative registered under the Rumah Selangorku scheme, with a gross development value of RM287.3 million, targeted for Q3 2024. Despite adopting a cautious outlook this year, the Group anticipates a healthy recovery and remains agile to seize growth opportunities.



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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 year under review.

5. Income Tax Expenses

| | Current Year To Date 31.3.2024 RM'000 | Preceding Year To Date 31.3.2023 RM'000 |
|---------------------|--|--|
| Income tax | - | 287 |
| Deferred tax | - | (97) |
| | | |
| Income tax expenses | - | 190 |
| | | |

For the current quarter and the corresponding quarter of the preceding financial year, the Group's effective tax rate is lower than the statutory income tax rate of 24% mainly due to certain income not being subject to tax and utilization of carried forward tax losses to offset against the chargeable income.

6. Corporate Proposals

There were no corporate proposals announced but not completed as at 22 May 2024, being the last practicable date from the date of the issue of this report, except the following:

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");



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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)

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

- 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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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 31.3.2024 RM'000 |
|-----------------------------|------------------------------|
| Secured: | |
| Current liabilities | |
| - Bank overdrafts | 10,934 |
| - Revolving credit | 15,000 |
| - Term loan | 22,680 |
| - Trust receipt | 4,483 |
| - Hire purchase liabilities | 1,206 |
| - Share margin financing | 2,968 |
| | <hr/> 57,271 <hr/> |
| Non-current liabilities | |
| - Term loan | 123,705 |
| - Hire purchase liabilities | 1,160 |
| | <hr/> 124,865 <hr/> |
| Total Borrowings | <hr/> 182,136 <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 May 2024, except the following:

Commencement of Arbitration Proceedings by O&C Makok Isola Sdn. Bhd. ("OMISB") against Jetson Construction Sdn. Bhd. ("JCSB")

OMISB, a 50.01% owned subsidiary of the Company has commenced arbitration proceedings ("Arbitration") against JCSB in connection with the contract for the construction of the main building and external works ("Contract") for a property development project.

OMISB as the employer, by a letter of award dated 10 July 2018 (issued through Ken Wong Architect, as the "Architect") ("LOA"), awarded the Contract to JCSB to complete the main building and external works in the Project ("Works") for the contract sum of RM88,029,450.03.

The Parties have subsequently executed a Supplemental Letter No. 1 to the LOA dated 30 January 2022 ("Supplemental Letter No.1") which provides among others that JCSB shall first complete the agreed scope of works listed therein ("Agreed Scope") on/by the First Completion Date.



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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)

Commencement of Arbitration Proceedings by O&C Makok Isola Sdn. Bhd. (“OMISB”) against Jetson Construction Sdn. Bhd. (“JCSB”)(cont'd)

JCSB has delayed the Works and have committed various breaches of its obligations under the Contract, including amongst others:

- (a) JCSB had failed, refused and/or neglected to proceed regularly and/or diligently with the Works, in particular the Agreed Scope;
- (b) JCSB had persistently failed, refused and/or neglected to comply with the Architect's Instruction's; and
- (c) JCSB had failed to complete the Works under the Agreed Scope by the First Completion Date.

As a result of JCSB's continued defaults and breaches of the Contract, and subsequent determination of JCSB's employment by OMISB by reason of these continued defaults and breaches of the Contract, OMISB has suffered and continues to suffer loss, expenses and damages, as more particularly set out below.

Particular of claims

In commencing the Arbitration, OMISB is seeking to claim for, among others but not limited to the following reliefs against JCSB:

- (a) the sum of RM30,879,616.14, or alternatively a sum to be assessed by the Tribunal for the additional costs relating to the appointment of a replacement contractor to complete the Works;
- (b) the liquidated damages;
- (c) reimbursement of all any over payment of Works;
- (d) reimbursement of all advance payment made by OMISB under the Contract;
- (e) damages including loss and expense as a result of JCSB's breach of the Contract including for delay/failure to complete the Works and/or Agreed Scope;
- (f) interest;
- (g) cost and expenses of the arbitration, including OMISB's legal costs and expenses; and
- (h) any further and/or other relief as the arbitrator deems fit to award.

The Group does not expect any material operational impact and any losses to arise by reason of the commencement of the said Arbitration proceeding other than the associated legal cost and time to be incurred on the legal claim. Hence, the Arbitration is expected to have no material operational and financial adverse impact to the Group.



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

9. Dividend

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

10. Earnings Per Share

| | Individual Quarter | | Cumulative Period | |
|--|--|--|--|--|
| | Current Year Quarter 31.3.2024 RM'000 | Preceding Year Quarter 31.3.2023 RM'000 | Current Year To Date 31.3.2024 RM'000 | Preceding Year To Date 31.3.2023 RM'000 |
| (a) Basic earnings per ordinary share | | | | |
| Profit attributable to the owners for the period | 962 | 57 | 962 | 57 |
| Weighted average number of ordinary shares issued ('000) | 1,385,997 | 989,998 | 1,385,997 | 989,998 |
| Basic loss per ordinary share (sen) | 0.07 | 0.01 | 0.07 | 0.01 |

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

11. Notes to the Statement of Comprehensive Income

| | Current Year Quarter 31.3.2024 RM'000 | Current Year to date 31.3.2023 RM'000 |
|---|--|--|
| Interest income | (125) | (125) |
| Interest expense | 1,416 | 1,278 |
| Depreciation and amortisation | 595 | 562 |
| Rental expenses | 141 | 144 |
| Rental income | (10) | (81) |
| Net impairment (gain)/losses on trade and other receivables | (1,320) | 40 |

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.

13. 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 May 2024.