



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 2022

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.09.2022 RM'000	Preceding Year Quarter 30.09.2021 RM'000	Current Year To Date 30.09.2022 RM'000	Preceding Year To Date 30.09.2021 RM'000
Revenue		56,434	5,553	150,516	30,135
Cost of sales		(50,198)	(9,040)	(131,153)	(38,496)
Gross profit/(loss)		6,236	(3,487)	19,363	(8,361)
Other income		566	293	1,406	592
Other operating expenses		(541)	(309)	(1,542)	(924)
Administrative expenses		(4,424)	(9,982)	(9,393)	(15,011)
Finance costs		(1,019)	(1,289)	(3,921)	(4,058)
Share of loss from associate		(1)	-	(3)	(21)
Profit/(loss) before tax		817	(14,774)	5,910	(27,783)
Income tax expenses	B5	5	(214)	-	(215)
Profit/(loss) after taxation for the financial period		822	(14,988)	5,910	(27,998)
Other comprehensive (loss)/income					
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive (loss)/income		(99)	(79)	20	946
Total comprehensive income/(loss) for the financial period	B11	723	(15,067)	5,930	(27,052)

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



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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 September 2022 (Cont'd)

		Individual Quarter	Individual Quarter	Cumulative Period	Cumulative Period
		Current Year	Preceding Year	Current	Preceding
		Quarter	Quarter	Year To Date	Year To Date
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
Note		RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation attributable to:					
Owners of the Company		(2,036)	(13,450)	(3,365)	(26,034)
Non-Controlling Interests		2,858	(1,538)	9,275	(1,964)
		<u>822</u>	<u>(14,988)</u>	<u>5,910</u>	<u>(27,998)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company	B11	(2,135)	(13,529)	(3,345)	(25,088)
Non-Controlling Interests		2,858	(1,538)	9,275	(1,964)
		<u>723</u>	<u>(15,067)</u>	<u>5,930</u>	<u>(27,052)</u>
Loss per share ("LPS") (in sen)					
- Basic	B10	(0.23)	(2.58)	(0.38)	(4.99)
- Diluted	B10	(0.23)	(2.56)	(0.38)	(4.95)

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



OCR Group Berhad
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Condensed Consolidated Statement of Financial Position
As at 30 September 2022

	Note	As at 30.09.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		206	344
Other investments		5,247	5,227
Property, plant and equipment		5,845	2,993
Investment property		25,278	22,529
Right-of-use asset		10,524	11,070
Inventories		27,694	27,694
Trade and other receivable		19,034	19,436
		<hr/> 93,828	<hr/> 89,293
Current Assets			
Inventories		185,115	161,216
Contract Cost		10,341	7,610
Trade and other receivables		150,508	113,635
Contract assets		28,033	35,325
Current tax assets		319	106
Cash and cash equivalents		25,291	30,932
		<hr/> 399,607	<hr/> 348,824
TOTAL ASSETS		<hr/> 493,435	<hr/> 438,117
EQUITY AND LIABILITIES			
Share capital		247,029	211,100
Reserves		(57,113)	(53,975)
Shareholders' funds		<hr/> 189,916	<hr/> 157,125
Non-controlling interests		11,134	140
TOTAL EQUITY		<hr/> 201,050	<hr/> 157,265
Non-Current Liabilities			
Lease liabilities	B7	2,942	479
Loans and borrowings	B7	60,855	67,573
Trade payables		26,598	26,598
		<hr/> 90,395	<hr/> 94,650
Current Liabilities			
Lease liabilities	B7	1,079	127
Loans and borrowings	B7	45,158	54,275
Trade and other payables		118,985	127,552
Current tax liabilities		191	1,389
Contract liabilities		36,577	2,859
		<hr/> 201,990	<hr/> 186,202
TOTAL LIABILITIES		<hr/> 292,385	<hr/> 280,852
TOTAL EQUITY AND LIABILITIES		<hr/> 493,435	<hr/> 438,117
Net assets per share attributable to ordinary equity holders of the Company (RM)		<hr/> 0.19	<hr/> 0.23

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



OCR Group Berhad
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*Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 September 2022*

	<-----Attributable to owners of the company----->				<-----Non-Distributable-----> Distributable			
	Share Capital	Warrants Reserve	Share Option Reserve	Irredeemable Convertible Preference Shares ('ICPS')	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	211,100	-	739	-	(54,714)	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								
- Warrant D	-	-	-	-	-	-	-	-
- Private Placement	21,813	-	-	-	-	21,813	-	21,813
Share options issued	-	-	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	-	946	-	(58,059)	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 2021 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 2022 (Cont'd)

<-----Attributable to owners of the company ----->

<-----Non-Distributable -----> Distributable

	Share Capital	Warrants Reserve	Share Option Reserve	Irredeemable Convertible Preference Shares (‘ICPS’)	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021 (Restated)	156,003	890	444	15,802	(31,130)	142,009	(676)	141,333
Loss after taxation	-	-	-	-	(25,923)	(25,923)	(1,475)	(27,398)
Total comprehensive income for the period	-	-	-	-	1,223	1,223	-	1,223
Exercised of Warrant: - Expired of Warrant C	-	(890)	-	-	890	-	-	-
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of								
- ICPS	15,802	-	-	(15,802)	-	-	-	-
- Private Placement	21,881	-	-	-	-	21,881	-	21,881
- Acquisition of subsidiaries	17,414	-	-	-	-	17,414	-	17,414
Share options lapsed	-	-	(226)	-	226	-	-	-
Share options issued	-	-	521	-	-	521	-	521
Non-controlling interests arising from acquisition of a new subsidiary	-	-	-	-	-	-	2,291	2,291
Balance as at 31 December 2021	211,100	-	739	-	(54,714)	157,125	140	157,265

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



OCR Group Berhad
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Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 September 2022

	Current Year to date 30.09.2022 RM'000	Preceding Year to date 30.09.2021 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	5,910	(27,783)
Adjustments for:		
Non-cash items	1,220	907
Non-operating items	3,862	4,124
<i>Operating profit before working capital changes</i>	10,992	(22,752)
Net change in current assets	(38,385)	30,949
Net change in current liabilities	(11,080)	(10,651)
<i>Cash used in operations</i>	(38,473)	(2,454)
Tax paid	(1,411)	(1,683)
<i>Net cash used in operating activities</i>	(39,884)	(4,137)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,672)	(591)
Investment in quoted shares	-	(4,004)
Decrease in pledged fixed deposits with licensed banks	(224)	(326)
Interest received	266	364
Proceeds from disposal of right-of-use asset	430	38
Proceeds from disposal of investment property	1,800	-
Acquisition of subsidiaries, net of cash and cash equivalents	29,472	-
<i>Net cash from/(used in) investing activities</i>	30,072	(4,519)
Cash Flows from Financing Activities		
Interest paid	(3,921)	(4,058)
Proceeds from issuance of ordinary shares pursuant to:		
- Private placement, net of expenses	21,813	21,881
Drawdown of bank borrowings	7,055	4,665
Repayment of bank borrowings	(19,127)	(9,148)
<i>Net cash from financing activities</i>	5,820	13,340
<i>Net cash (decreased)/increased in cash and cash equivalents</i>	(3,992)	4,684
<i>Cash and cash equivalents at beginning of the financial year</i>	(2,379)	4,611
<i>Cash and cash equivalents at end of the financial period</i>	(6,371)	9,295



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Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2022 (Cont'd)

	Current Year to date 30.09.2022 RM'000	Preceding Year to date 30.09.2021 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	19,134	18,941
Cash and bank balances	6,157	21,153
Bank overdrafts	(12,528)	(11,858)
	12,763	28,236
Less: Fixed deposit pledged to licensed banks	(19,134)	(18,941)
	(6,371)	9,295

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2021.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the latest audited financial statements for the financial year ended 31 December 2021, except for the adoption of the new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards.

(a) Adoption of amendments/improvement to MFRSs

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

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^]
MFRS 3	Business Combinations	1 January 2022
MFRS 9	Financial Instruments	1 January 2022 [^]
MFRS 116	Property, Plant and Equipment	1 January 2022
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRS Standards 2018 - 2020*

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation (cont'd)

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

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
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 10	Consolidated Financial Statements	Deferred
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	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
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 [#]

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A

EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

2. Status of Audit Qualifications

The audited financial statements of the Group for the financial year ended 31 December 2021 was not subject to any audit qualification.

3. Seasonality or Cyclicity of Operations

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

4. Unusual Items

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

5. Changes in Estimates

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

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

During the financial period ended 30 September 2022, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 204,000,000 new ordinary shares at an average price of RM 0.1069 per ordinary share via private placement to eligible investors for a total cash consideration of RM21,813,000 for working capital purpose.,
- (ii) an issuance of 1,711 new ordinary shares from the exercise of Warrant D at the exercise price of RM 0.22 per warrant.
- (iii) an issuance of 104,953,197 new ordinary shares at a price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd.

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

7. Dividend

There were no dividends paid during the current quarter.



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

8. Segment Information

The following is an analysis of the consolidated revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 September 2022:

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	1,408	-	-	-	1,408
Depreciation and Amortisation	334	124	17	-	475
Other Non-Cash Expenses	-	-	-	-	-

30 September 2021	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue	35	5,347	300	(129)	5,553
Segment Results (EBITDA)	(3,210)	(7,577)	(2,757)	368	(13,176)
Finance Cost	462	(1,576)	(175)	-	(1,289)
Depreciation and Amortisation	(44)	(197)	(68)	-	(309)
Consolidated Profit Before Tax					(14,774)
ASSETS					
Segment Assets	106,923	220,361	191,123	(178,056)	340,351
LIABILITIES					
Segment Liabilities	90,977	240,225	43,962	(171,423)	203,741
OTHER INFORMATION					
Capital Expenditure	512	-	21	-	533
Depreciation and Amortisation	44	197	68	-	309
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 23 November 2022, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 30 September 2022.

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 2022.

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

Since the last annual balance sheet date, there were no material changes in contingent liabilities for the Group as at 23 November 2022, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

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

	Company	
	As at	As at
	30.09.2022	30.09.2021
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted		
to subsidiaries	91,013	67,242

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
	30.09.2022	30.09.2021
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest	32,416	6,179
Marketing fee to a company which has substantial financial interest	803	1,531
Subcontractor fee to a company which has substantial financial interest	36,010	2,808

The Directors are of the opinion that all inter-segment transactions have been entered into the normal courses of business and are based on negotiated terms.



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PART B

EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS

1. Detailed Analysis of the Performance of all Operating Segments

	Individual Quarter		Cumulative Period	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	56,434	5,553	150,516	30,135
Profit/(Loss) before tax	817	(14,774)	5,910	(27,783)

The revenue of RM 56.4 million in the current quarter and RM 150.5 million in cumulative period were contributed by both the property development and construction segments. Higher revenue and profit before tax mainly driven by higher property sales and higher progress revenue recognised across the Group's existing on-going projects.

Further Analysis by Segments

Property Development Segment

The current period quarter revenue was mainly contributed by the project progress recognition from Priya Kuantan of RM 15.1 million, The Mate at Damansara Jaya of RM 1.3 million and OCR PARC Industrial Selayang of RM 26.8 million respectively.

The increase in revenue compared to preceding period quarter was largely attributed to the increase in revenue from Priya Kuantan by RM 9.6 million and OCR PARC Industrial Selayang by RM26.8 million respectively.

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

Construction Segment

The construction segment reported an increase in revenue by RM 13.0 million compared to the preceding period corresponding quarter which was attributed by YOLO Signature Suites at Bandar Sunway.

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

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

	Individual Quarter	
	30.09.2022	30.06.2022
	RM'000	RM'000
Revenue	56,434	69,362
Profit before tax	817	2,585

The Group's revenue dropped from RM 69.3 million in the immediate preceding quarter to RM 56.4 million in the current quarter mainly due to slower construction progress in OCR PARC Industrial Selayang.

The Group recorded profit before tax of RM 0.8 million for the current quarter as compared to profit before tax of RM 2.6 million in the immediate preceding quarter. The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments.



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PART B

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

3. Current Year Prospects

The Malaysia economy has evidently recovered from easing restriction and is expected to remain resilient for the remaining year. As announced by Bank Negara Malaysia, the economy registered a stronger growth of 14.2% in the third quarter of 2022. Nonetheless, this is mainly spurred from an unusually low base of economic activity curbed by COVID-19 containment measures earlier.

Hence, the Group remains cautious with uncertainties and potential challenges looming over the property industry. It is anticipated that the following economy growth to be lackluster mainly due to global uncertainties arising from prolonged geopolitical tensions, persistent supply chain disruptions, the weakening of Malaysian currencies and the Malaysian general election season.

Despite so, the economy is expected to expand by 4.0 – 5.0% in 2023 from multiple domestic infrastructure projects. The Group's commitment to drive revenue proactively and being responsive to the market enable the Group to navigate through the industry challenges and be opportunistic, higher growth is expected as consumer/investor's confidence in the market improves.

Additionally, the Group has committed its priorities to project completion timeline with effective project management. Vacant possession will be delivered for Priya Kuantan and OCR Selayang Industrial Park in the fourth quarter of the year onwards. With the resumption of economic activities, the Group is preparing to launch significant developments that generate higher sustainable earnings and greater financial stability to the Group.

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
	30.09.2022	30.09.2021
	RM'000	RM'000
Income tax	-	215
Deferred tax	-	-
Income tax expenses	-	215
Effective tax rate	0%	77%

The Group's effective tax rate is lower than the statutory income tax rate due to losses from certain subsidiaries within the Group in 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)

6. Corporate Proposals

There were no corporate proposals announced but not completed as at 23 November 2022, being the last practicable date from the date of the issue of this report, except the following:

(a) Status of Utilisation of Proceeds

On 17 November 2021, the Company had obtained shareholders' approval in relation to the proposed allotment and issuance of up to 206,352,000 new ordinary shares.

The private placements were initiated on 19 January 2022, 20 January 2022, 22 June 2022 and 7 September 2022 following the listing and quotation for a total of 204,000,000 new ordinary shares at an average price of RM 0.1069 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 21.83 million.

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

Utilisation of proceeds	Expected timeframe	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	20,890	20,890 ⁽¹⁾	-
(ii) Expenses for the Private Placement 30%	Upon completion of the Private Placement 30%	250	250	-
(iii) Expenses incurred for the acquisition of Stack Builder Sdn Bhd and Wonderland Projects Sdn Bhd	Upon completion of the acquisition	690	690	-
Total		21,830	21,830	-

Note:-

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



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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 30.09.2022 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	8,684
- Revolving credit	15,000
- Term loan	16,475
- Trust receipt	4,999
	<hr/> 45,158
Non-current liabilities	
- Term loan	57,011
- Bank overdrafts	3,844
	<hr/> 60,855
Unsecured:	
Current liabilities	
- Lease liabilities	1,079
	<hr/> 1,079
Non-current liabilities	
- Lease liabilities	2,942
	<hr/> 2,942
Total Borrowings	<hr/> 110,034 <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.



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

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 23 November 2022, except the following:

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

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

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

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

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

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

On 4 October 2021, the Plaintiff has put in an application for stay of all the proceedings (“**Stay Application**”). During the case management on 11 January 2022, the Court has fixed the hearing in respect of the Stay Application, OS, Striking Out Applications and Injunction Application on 8 March 2022.

After hearing parties on 8 March 2022, the Judge allowed the Stay Application and ordered that the proceedings be stayed until the grounds of judgment (“**GOJ**”) of Kuala Lumpur High Court, Civil Suit No.: WA-22NCC-603-10/2019 (“**Suit 603**”) is ready.

On 27 May 2022, the Court has dismissed the first and second Defendants’ application for striking out in Enclosures 13 and 18 respectively and allowed the Plaintiff’s application for injunction in Enclosure 3 and the Originating Summons in Enclosure 1 with costs to be paid by each Defendant.

Further to the Court’s decisions on 27 May 2022, AASB has on 13 June 2022 filed the Notice of Appeal to appeal against the said decisions.



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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. Loss Per Share

	Individual Quarter		Cumulative Period	
	Current Year	Preceding	Current	Preceding Year
	Quarter	Year Quarter	Year To Date	Period
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
(a) Basic loss per share				
Net loss attributable to the owners for the period	(2,036)	(13,450)	(3,365)	(26,034)
Weighted average number of ordinary shares issued ('000)	681,043	455,933	681,043	455,933
Effects of: -				
- Private placement ('000)	115,482	56,452	115,482	56,452
- ICPS ('000)	-	9,281	-	9,281
- Warrant D ('000)	1	-	1	-
- Acquisition of subsidiary	79,964	-	79,964	-
Weighted average number of ordinary shares in issue ('000)	876,490	521,666	876,490	521,666
Basic loss per share (sen)	(0.23)	(2.58)	(0.38)	(4.99)



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

10. Loss Per Share (Cont'd)

	Individual Quarter		Cumulative Period	
	Current Year	Preceding	Current	Preceding Year
	Quarter	Year Quarter	Year To Date	Period
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
(b) Diluted loss per share				
Net loss attributable to the owners for the period	(2,036)	(13,450)	(3,365)	(26,034)
Weighted average number of ordinary shares issued ('000)	876,490	521,666	876,490	521,666
- Adjustment for assumed conversion of Warrant D ('000)	-	3,896	-	3,896
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	876,490	525,562	876,490	525,562
Diluted loss per share (sen)	(0.23)	(2.56)	(0.38)	(4.95)

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year	Current
	Quarter	Year to date
	30.09.2022	30.09.2022
	RM'000	RM'000
Interest income	(83)	(266)
Interest expense	1,019	3,921
Depreciation	475	1,352
Rental expenses	131	383
Rental income	(74)	(186)



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

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 2022