



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 June 2020

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2020 RM'000	Preceding Year Quarter 30.06.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000
Revenue		3,921	21,142	31,935	42,935
Cost of sales		(3,436)	(14,472)	(27,311)	(30,513)
Gross profit		485	6,670	4,624	12,422
Other income		224	435	630	706
Other operating expenses		(203)	(197)	(403)	(403)
Administrative expenses		(2,378)	(2,972)	(4,514)	(6,155)
Finance costs		(121)	(758)	(504)	(1,511)
Share of loss from associate		(26)	(43)	(41)	(54)
(Loss)/Profit before tax		(2,019)	3,135	(208)	5,005
Income tax expense	B5	278	(218)	(294)	(569)
(Loss)/Profit after taxation for the financial period		(1,741)	2,917	(502)	4,436
Other Comprehensive (Expenses)/Income					
Total Comprehensive (Expense)/Income for the financial period	B11	(1,741)	2,917	(502)	4,436

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 June 2020 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.2020 RM'000	Preceding Year Quarter 30.06.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000
Profit after taxation attributable to:					
Owners of the Company		(1,723)	2,968	(519)	4,485
Non-Controlling Interests		(18)	(51)	17	(49)
		<u>(1,741)</u>	<u>2,917</u>	<u>(502)</u>	<u>4,436</u>
Total Comprehensive Income attributable to:					
Owners of the Company	B11	(1,723)	2,968	(519)	4,485
Non-Controlling Interests		(18)	(51)	17	(49)
		<u>(1,741)</u>	<u>2,917</u>	<u>(502)</u>	<u>4,436</u>
Earnings per share ("EPS") (in sen)					
- Basic	B10	(0.51)	0.92	(0.15)	1.39
- Diluted	B10	(0.41)	0.74	(0.12)	1.12

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Financial Position
As at 30 June 2020

	Note	As at 30.06.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		742	383
Property, plant and equipment		12,392	1,655
Investment property		1,792	1,812
Right-of-use asset		504	583
Inventories		29,780	29,764
Other receivable		14,709	14,456
Deferred Tax Asset		2,522	2,522
		62,441	51,175
Current Assets			
Inventories		89,615	90,374
Contract Cost		37,736	34,791
Trade and others receivables		90,937	98,342
Contract assets		36,989	27,149
Current tax assets		-	28
Cash and cash equivalents		24,858	21,454
		280,135	272,138
TOTAL ASSETS		342,576	323,313
EQUITY AND LIABILITIES			
Share capital		128,282	119,321
Irredeemable convertible preference shares		20,284	27,637
Reserves		(23,072)	(22,553)
Shareholders' funds		125,494	124,405
Non-controlling interests		(1,326)	(1,343)
TOTAL EQUITY		124,168	123,062
Non-Current Liabilities			
Long-term bank borrowings	B7	47,462	39,213
Deferred tax liabilities		179	179
Other payable		43,850	42,180
		91,491	81,572
Current Liabilities			
Trade and other payables		83,089	74,365
Short-term borrowings	B7	40,595	41,457
Current tax liabilities		3,233	2,857
		126,917	118,679
TOTAL LIABILITIES		218,408	200,251
TOTAL EQUITY AND LIABILITIES		342,576	323,313
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.24	0.27

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 2020

	< -----Attributable to owners of the company ----- >							
	<-----Non-Distributable ----->				Distributable			
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Irredeemable Convertible Preference Shares (‘ICPS’) RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2020	119,321	-	890	27,637	(23,443)	124,405	(1,343)	123,062
(Loss)/profit after taxation Total comprehensive (expenses)/income for the period	-	-	-	-	(519)	(519)	17	(502)
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of								
- ICPS	7,353	-	-	(7,353)	-	-	-	-
- Warrant D	628	-	-	-	-	628	-	628
- Private Placement	980	-	-	-	-	980	-	980
Balance as at 30 June 2020	128,282	-	890	20,284	(23,962)	125,494	(1,326)	124,168

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 2020 (Cont'd)

	<-----Attributable to owners of the company----->							
	<-----Non-Distributable----->				Distributable			
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Irredeemable Convertible Preference Shares (‘ICPS’) RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2019	88,457	18,126	890	32,187	(26,629)	113,031	(1,407)	111,624
Initial application of MFRS 9	-	-	-	-	(5,696)	(5,696)	(45)	(5,741)
Balance as at 1 January 2019 (restated)	88,457	18,126	890	32,187	(32,325)	107,335	(1,452)	105,883
Profit after taxation/ Total comprehensive income for the period	-	-	-	-	8,882	8,882	109	8,991
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
- exercise of								
- ICPS	4,550	-	-	(4,550)	-	-	-	-
- Warrant D	1	-	-	-	-	1	-	1
- Private Placement	8,187	-	-	-	-	8,187	-	8,187
Transfer from share premium	18,126	(18,126)	-	-	-	-	-	-
Balance as at 31 December 2019	119,321	-	890	27,637	(23,443)	124,405	(1,343)	123,062

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



OCR Group Berhad
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Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 June 2020

	Current Year to date 30.06.2020 RM'000	Preceding Year to date 30.06.2019 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(208)	5,005
Adjustments for:		
Non-cash items	474	457
Non-operating items	(8)	904
<i>Operating profit before working capital changes</i>	258	6,366
Net change in current assets	(15,790)	(30,355)
Net change in current liabilities	10,466	17,713
<i>Cash used in operations</i>	(5,066)	(6,276)
Tax paid	(115)	(330)
<i>Net cash used in operating activities</i>	(5,181)	(6,606)
Cash Flows from Investing Activities		
Proceed from disposal of property, plant and equipment	-	90
Purchase of property, plant and equipment	(18)	(69)
Interest received	512	607
Acquisition of an associate	(400)	-
<i>Net cash from investing activities</i>	94	628
Cash Flows from Financing Activities		
Interest paid	(504)	(1,511)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	980	8,187
-Warrant D	628	-
Drawdown of bank borrowings	4,766	624
Repayment of bank borrowings	(2,176)	(1,090)
Placement of fixed deposit pledged with a licensed bank	(265)	(2,267)
<i>Net cash generated from financing activities</i>	3,429	3,943
<i>Net cash decreased in cash and cash equivalents</i>	(1,658)	(2,035)
<i>Cash and cash equivalents at beginning of the financial year</i>	(4,360)	(4,160)
<i>Cash and cash equivalents at end of the financial period</i>	(6,018)	(6,195)



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Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2020 (Cont'd)

	Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	18,402	17,857
Cash and bank balances	6,456	657
Bank overdrafts	(12,474)	(6,852)
	12,384	11,662
Less: Fixed deposit pledged to licensed banks	(18,402)	(17,857)
	(6,018)	(6,195)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 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 2019.

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 2019. The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 January 2020 did not have any significant impact on the interim financial statements upon their initial application.

The following standards were issued by the Malaysian Accounting Standards Board but are not yet effective and have not been applied by the Group:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2019 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 in the current quarter.

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

During the financial period ended 30 June 2020, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 14,705,970 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") with the conversion ratio of 10 ICPS to 1 new ordinary share at the exercise price of RM0.50;
- (ii) an issuance of 4,000,000 new ordinary shares at an issuance price of RM0.245 per ordinary share via private placement to eligible investors for a total cash consideration of RM980,000 for working capital purpose; and
- (iii) an issuance of 2,853,428 new ordinary shares from the exercise of Warrant D at the exercise price of RM 0.22 per warrant.

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 June 2020: -

30 June 2020	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	1,389	2,552	754	-	(774)	3,921
Segment Results (LBITDA)	(476)	(509)	(680)	-	(16)	(1,681)
Finance Cost	(114)	-	(7)	-	-	(121)
Depreciation	(17)	(126)	(74)	-	-	(217)
Consolidated Loss Before Tax						(2,019)
ASSETS						
Segment Assets	80,607	242,778	152,193	-	(133,002)	342,576
LIABILITIES						
Segment Liabilities	75,710	223,863	42,598	-	(123,763)	218,408
OTHER INFORMATION						
Capital Expenditure	13	5	-	-	-	18
Depreciation	17	126	74	-	-	217
Other Non-Cash Expenses	26	-	-	-	-	26

30 June 2019	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	18,992	2,150	-	-	-	21,142
Segment Results (EBITDA)	5,582	163	(1,652)	(3)	-	4,090
Finance Cost	(485)	(40)	(233)	-	-	(758)
Depreciation	(11)	(124)	(62)	-	-	(197)
Consolidated Profit Before Tax						3,135
ASSETS						
Segment Assets	118,454	137,890	150,915	22	(107,223)	300,058
LIABILITIES						
Segment Liabilities	99,820	133,834	41,345	2,266	(101,454)	175,811
OTHER INFORMATION						
Capital Expenditure	43	19	7	-	-	69
Depreciation	11	124	62	-	-	197
Other Non-Cash Expenses	11	-	-	-	-	11



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

8. Segment Information (Cont'd)

GEOGRAPHICAL SEGMENT

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segments:

	Revenue by location of customers		Segments assets by location of assets		Capital expenditure by location of assets	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Malaysia	3,921	21,142	342,576	300,058	18	69
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	3,921	21,142	342,576	300,058	18	69

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 19 August 2020, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 30 June 2020, except for the following:

- (a) On 1 July 2020 there are total of 290,000 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 2,900,000 ICPS to 290,000 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.
- (b) On 1 July 2020, 9 July 2020, 13 July 2020, 15 July 2020, 16 July 2020, 17 July 2020, 20 July 2020, 22 July 2020, 23 July 2020, 24 July 2020, 27 July 2020, 28 July 2020, 29 July 2020, 30 July 2020, 7 August 2020, 11 August 2020 and 12 August 2020, the Company allotted and issued a total of 19,800,000 subscription of new ordinary shares at an average issue price of RM 0.279 to Macquarie Bank.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 June 2020.



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

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 19 August 2020, 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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	66,126	60,610
	66,126	60,610

There were no contingent assets since the last annual balance sheet as at 30 June 2020.

13. Capital Commitments

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

14. Significant Inter Company and Related Party Transactions

	Group	
	Current Year To Date 30.06.2020 RM'000	Preceding Year To Date 30.06.2019 RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which is connected to a director of the company	10,494	21,722
Marketing fee to a company which a director has a substantial financial interest	599	-
	599	-

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	3,921	21,142	31,935	42,935
(Loss)/Profit before tax	(2,019)	3,135	(208)	5,005

The revenue and incurrence of loss before tax in the current quarter and cumulative period reflected substantially lower sales and progress revenue recognised across Group's existing on-going projects as a result of the Coronavirus Disease 2019 ("COVID-19") outbreak. The Group's project development and construction activities were halted temporarily upon the enforcement of the Movement Control Order ("MCO") by the Malaysian Government on 18 March 2020, and only resumed gradually in the month of June 2020.

Further Analysis by Segments

Property Development Segment

The revenue and loss before tax in the current and cumulative periods under review was recorded mainly by Isola at KLCC, PRIYA at Kuantan and The Mate at Damansara Jaya.

Construction Segment

The revenue and loss before tax in the current and cumulative period were recognised mainly for the YOLO Signature Suites at Bandar Sunway.

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

	Individual Quarter	
	30.06.2020	31.03.2020
	RM'000	RM'000
Revenue	3,921	28,014
(Loss)/Profit before tax	(2,019)	1,811

The Group recorded loss before tax of RM 2.0 million for the current quarter as compared to the immediate preceding quarter profit before tax of RM 1.8 million. Loss during current quarter was mainly due to the outbreak of COVID-19 hence implementation of MCO by the Malaysian Government since 18 March 2020. This Group's operation in project development and construction were disrupted over an extended period of more than two (2) months, and only gradually resumed in June 2020.

As of the reporting date, the management is still in process of assessing the overall financial impact and will continuously monitor the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.



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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 economic sentiment in Malaysia are beginning to show signs of recovery as activities picked-up while consumer confidence improved following an easing in lockdown measures from May 2020. Despite a gradual recovery expected in the second half of 2020, the Group remains cautiously optimistic on the overall outlook as it will be significantly affected by the evolving Covid-19 developments.

The Group's activities at all sites have gradually resumed in the month of June 2020. The Group has placed its emphasis on optimizing construction plans to catch up and to ensure timely deliveries of our existing projects, namely Isola at KLCC, PRIYA at Kuantan as well as construction works for YOLO Signature Suites at Bandar Sunway. This will likely contribute positively to the financial performance of the Group for the remaining year of 2020.

The Group has taken several key marketing initiatives to boost sales of existing projects. Apart from that, the Group will also be officially launching The Mate at Damansara Jaya by third quarter of 2020. Integrated with co-living and co-working concept, this freehold development corresponds with the rise of gig economy and portrays the Group as a visionary developer that is attuned to the lifestyles and affordability of inter-generational buyers. This will also contribute positively to the top and bottom line of the Group for FY2020.

For our project management consultation segment, the Group via its associated company's subsidiary – Taraf Raya Sdn Bhd, is currently in continuing negotiation on the final contract of the East Coast Rail Link project with Malaysia Rail Link Sdn Bhd and China Communications Construction (ECRL) Sdn Bhd.

In spite of the challenging business environment, the Group will closely monitor the market to lookout for potential opportunities across its property development, construction and project management consultation businesses.

4. Variances Between Actual Profit and Forecast Profit

There was no profit forecast or guarantee made public for the financial period under review.

5. Income Tax Expense

	Group	
	Current	Preceding
	Year to date	Year to date
	30.06.2020	30.06.2019
	RM'000	RM'000
Income tax	294	569
Deferred tax	-	-
Income tax expenses	294	569
Effective tax rate	141%	11%



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

5. Income Tax Expense (Cont'd)

The effective tax rate of the Group for the financial year-to-date under review is higher than statutory tax rate due to certain expenses which are not deductible for tax purposes.

6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 August 2020, being the last practicable date from the date of the issue of this report.

7. Borrowings and Debt Securities

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

	As at 30.06.2020 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	12,474
- Revolving credit	15,000
- Term loan	7,111
- Trust receipt	5,916
	<hr/> 40,501
Non-current liabilities	
- Term loan	<hr/> 46,965
Unsecured:	
Current liabilities	
- Lease liabilities	<hr/> 94
Non-current liabilities	
- Lease liabilities	<hr/> 497
Total Borrowings	<hr/> 88,057 <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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PART B
EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE BURSA MAIN MARKET LISTING REQUIREMENTS (CONT'D)

7. Borrowings and Debt Securities (Cont'd)

The currency exposure profile of the Group's borrowings and other facilities are as follows:

	As at
	30.06.2020
	RM'000
Ringgit Malaysia	88,057

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 19 August 2020, except the following:

Ismail bin Othman v Duta Skyline Sdn Bhd & Amazing Symphony Sdn Bhd

Duta Skyline Sdn Bhd ("DSSB") entered into a joint venture agreement dated 22 April 2019 ("JVA") with Amazing Symphony Sdn Bhd ("ASSB") to develop 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 ("Land") owned by DSSB.

On 6 September 2019, ASSB was served with an Originating Summons dated 28 August 2019 ("OS") and a Notice of Application dated 28 August 2019 ("Injunction Application") by Messrs Rosley Zechariah, solicitors for Encik Ismail bin Othman ("Plaintiff"), one of the directors of DSSB.

In the OS, the Plaintiff is seeking for, among others, the following relief:

- 1) a declaration that the JVA between the DSSB and ASSB is null and void ab initio and of no effect whatsoever;
- 2) as a consequence of the above, an order that a power of attorney ("POA") granted in favour of ASSB pursuant to the JVA be revoked and/or cancelled forthwith;
- 3) costs; and
- 4) such further or other relief as the Court deems fit and proper to grant.

The Plaintiff had also filed the Injunction Application to restrain DSSB and ASSB from, among others, acting upon and/or giving effect in any manner to the JVA and POA and dealing with the Land in any manner.

On 11 September 2019, the Plaintiff's solicitors had orally applied for an ad interim injunction to be granted. After hearing from both parties, the Court had ordered as follows:

- 1) that the Plaintiff's application for an ad interim injunction be allowed until 30 September 2019 to preserve the status quo of the matter;
- 2) that the OS and Injunction Application be fixed for case management on 30 September 2019; and
- 3) that DSSB and ASSB are to file their respective affidavit in reply within 2 weeks from 11 September 2019.



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

PART B

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

8. Material Litigation (Cont'd)

On 30 September 2019, the Plaintiff's solicitors had orally applied for another ad interim injunction to be granted pending the hearing of the Injunction Application and both DSSB and ASSB had opposed to the Plaintiff's said oral application. After hearing parties, the Court had directed as follows:

- 1) that the OS, the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application be fixed for hearing on 14 October 2019; and
- 2) that the Plaintiff's application for ad interim injunction be allowed until 14 October 2019 to preserve the status quo of the matter.

On 14 October 2019, YA Dato' Haji Mohamad Shariff bin Hj Abu Samah ("YA Dato' Shariff") had informed parties that His Lordship would not be hearing the OS, the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application and that the same would be transferred to another Judge. The Plaintiff's solicitors then orally applied for an extension of the ad interim injunction until the disposal of the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application and our solicitors had opposed to their said application. After hearing parties, YA Dato' Shariff directed that:

- 1) the OS, the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application be fixed for case management before the Registrar on 13 November 2019; and
- 2) the Plaintiff's application for an extension of ad interim injunction until the disposal of the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application is allowed, subject to undertaking as to damages by the Plaintiff.

During the case management on 13 November 2019, the Court directed that the OS, Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application is fixed for hearing before a new Judge on 10 January 2020.

On 10 January 2020, the hearing was vacated as the new Judge had to attend a function. The next hearing which was originally fixed on 20 April 2020, has been postponed to 7 July 2020 in view of the court closure during the Movement Control Order of Malaysia which is enforce from 18 March 2020 to 12 May 2020.

The hearing which was initially fixed on 7 July 2020 has been vacated and a next hearing date is fixed on 10 September 2020.

9. Dividend

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



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

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 30.06.2020 RM'000	Preceding Year Quarter 30.6.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year Period 30.6.2019 RM'000
(a) Basic earnings per share				
Net profit for the period	(1,723)	2,968	(519)	4,485
Weighted average number of ordinary shares issued ('000)	330,809	292,465	330,809	292,465
Effects of: -				
- Private placement ('000)	1,188	29,239	1,188	29,239
- ICPS ('000)	5,909	628	5,909	628
- Warrant D ('000)	458	-	458	-
Weighted average number of ordinary shares in issue ('000)	338,364	322,332	338,364	322,332
Basic earnings per share (sen)	(0.51)	0.92	(0.15)	1.39
(b) Diluted earnings per share				
	Current Year Quarter 30.06.2020 RM'000	Preceding Year Quarter 30.6.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year Period 30.6.2019 RM'000
Net profit for the period	(1,723)	2,968	(519)	4,485
Weighted average number of ordinary shares in issue ('000)	338,364	322,332	338,364	322,332
- Adjustments for assumed conversion of ICPS ('000)	61,429	63,746	61,429	63,746
- Adjustment for assumed conversion of Warrant D ('000)	15,924	15,521	15,924	15,521
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	415,717	401,599	415,717	401,599
Diluted earnings per share (sen)	(0.41)	0.74	(0.12)	1.12



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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
	30.06.2020	30.06.2020
	RM'000	RM'000
Interest income	(138)	(512)
Interest expense	121	504
Depreciation	217	433
Rental expenses	94	224
Rental income	(11)	(29)

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
26 August 2020