



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

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 31 December 2020

		Individual Quarter		Cumulative Period	
		Current Year Quarter 31.12.2020 RM'000	Preceding Year Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year To Date 31.12.2019 RM'000
Note					
Revenue		27,253	21,272	72,994	81,866
Cost of sales		(23,820)	(17,907)	(62,258)	(62,573)
Gross profit		3,433	3,365	10,736	19,293
Other income		3,792	1,669	4,829	2,703
Other operating expenses		(506)	(365)	(1,152)	(989)
Administrative expenses		(2,787)	(1,312)	(10,105)	(8,597)
Finance costs		(418)	(489)	(1,602)	(1,708)
Share of loss from associate		(270)	(27)	(391)	(104)
Profit before tax		3,244	2,841	2,315	10,598
Income tax expense	B5	(1,491)	(176)	(1,947)	(1,608)
Profit after taxation for the financial period		1,753	2,665	368	8,990
Other Comprehensive Income/(Expenses)		-	-	-	-
Total Comprehensive Income/(Expense) for the financial period	B11	1,753	2,665	368	8,990

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 31 December 2020 (Cont'd)

		Individual Quarter		Cumulative Period	
		Current Year	Preceding Year	Current	Preceding
		Quarter	Quarter	Year To Date	Year To Date
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Note		RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to:					
Owners of the Company		2,272	2,420	805	8,881
Non-Controlling Interests		(519)	245	(437)	109
		<hr/>	<hr/>	<hr/>	<hr/>
		1,753	2,665	368	8,990
		<hr/>	<hr/>	<hr/>	<hr/>
Total Comprehensive Income attributable to:					
Owners of the Company	B11	2,272	2,420	805	8,881
Non-Controlling Interests		(519)	245	(437)	109
		<hr/>	<hr/>	<hr/>	<hr/>
		1,753	2,665	368	8,990
		<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Earnings per share (“EPS”) (in sen)					
- Basic	B10	0.61	0.74	0.22	2.73
		<hr/>	<hr/>	<hr/>	<hr/>
- Diluted	B10	0.53	0.60	0.19	2.21
		<hr/>	<hr/>	<hr/>	<hr/>

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 31 December 2020

	Note	As at 31.12.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		392	383
Property, plant and equipment		12,207	1,655
Investment property		1,771	1,812
Right-of-use asset		639	583
Inventories		29,788	29,764
Other receivable		14,709	14,456
Deferred Tax Asset		1,250	2,522
		<hr/> 60,756 <hr/>	<hr/> 51,175 <hr/>
Current Assets			
Inventories		96,638	90,374
Contract Cost		8,654	34,791
Trade and others receivables		103,668	98,342
Contract assets		57,492	27,149
Current tax assets		16	28
Cash and cash equivalents		35,593	21,454
		<hr/> 302,061 <hr/>	<hr/> 272,138 <hr/>
TOTAL ASSETS		<hr/> 362,817 <hr/>	<hr/> 323,313 <hr/>
EQUITY AND LIABILITIES			
Share capital		156,003	119,321
Irredeemable convertible preference shares		15,802	27,637
Reserves		(21,304)	(22,553)
Shareholders' funds		<hr/> 150,501 <hr/>	<hr/> 124,405 <hr/>
Non-controlling interests		(1,780)	(1,343)
TOTAL EQUITY		<hr/> 148,721 <hr/>	<hr/> 123,062 <hr/>
Non-Current Liabilities			
Long-term bank borrowings	B7	45,388	39,213
Deferred tax liabilities		179	179
Other payable		27,913	42,180
		<hr/> 73,480 <hr/>	<hr/> 81,572 <hr/>
Current Liabilities			
Trade and other payables		94,923	74,365
Short-term borrowings	B7	42,604	41,457
Current tax liabilities		3,089	2,857
		<hr/> 140,616 <hr/>	<hr/> 118,679 <hr/>
TOTAL LIABILITIES		<hr/> 214,096 <hr/>	<hr/> 200,251 <hr/>
TOTAL EQUITY AND LIABILITIES		<hr/> 362,817 <hr/>	<hr/> 323,313 <hr/>
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		<hr/> 0.33 <hr/>	<hr/> 0.37 <hr/>

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 31 December 2020

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

	Share Capital RM'000	Warrants Reserve RM'000	Share Option 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
Profit after taxation/ Total comprehensive Income/ (expenses) for the period	-	-	-	-	805	805	(437)	368
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of								
- ICPS	11,835	-	-	(11,835)	-	-	-	-
- Warrant D	628	-	-	-	-	628	-	628
- Private Placement	24,219	-	-	-	-	24,219	-	24,219
Share options issued	-	-	444	-	-	444	-	444
Balance as at 31 December 2020	156,003	890	444	15,802	(22,638)	150,501	(1,780)	148,721

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 31 December 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 31 December 2020

	Current Year to date 31.12.2020 RM'000	Preceding Year to date 31.12.2019 RM'000
Cash Flows from Operating Activities		
Profit before tax	2,315	10,598
Adjustments for:		
Non-cash items	(1,771)	585
Non-operating items	1,334	(4)
<i>Operating profit before working capital changes</i>	1,878	11,179
Net change in current assets	(23,766)	(53,171)
Net change in current liabilities	6,371	28,298
<i>Cash used in operations</i>	(15,517)	(13,694)
Tax paid	(664)	(354)
<i>Net cash used in operating activities</i>	(16,181)	(14,048)
Cash Flows from Investing Activities		
Proceed from disposal of property, plant and equipment	-	90
Purchase of property, plant and equipment	(379)	(153)
Increase in pledged fixed deposits with licensed banks	(478)	(2,547)
Acquisition of an associate	(400)	-
Advances to a corporate shareholder	-	(50)
Interest received	712	556
<i>Net cash from investing activities</i>	(545)	(2,104)
Cash Flows from Financing Activities		
Interest paid	(1,602)	(1,636)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	24,219	8,187
-Warrant D	628	1
Drawdown of bank borrowings	5,142	15,512
Repayment of bank borrowings	(2,690)	(6,112)
<i>Net cash generated from financing activities</i>	25,697	15,952
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	8,971	(200)
<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>	4,611	(4,360)



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Condensed Consolidated Statement of Cash Flows
For the period ended 31 December 2020 (Cont'd)

	Current Year To Date 31.12.2020 RM'000	Preceding Year To Date 31.12.2019 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	18,615	18,137
Cash and bank balances	16,978	3,317
Bank overdrafts	(12,367)	(7,677)
	23,226	13,777
Less: Fixed deposit pledged to licensed banks	18,615	(18,137)
	4,611	(4,360)

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:

		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 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 June 2020/ 1 January 2021/ 1 January 2022 [^]
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]



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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)

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

		Effective for financial periods beginning on or after
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 116	Property, Plant and Equipment	1 January 2022/ 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 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

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

[#] 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 2019 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 in the current quarter.

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

During the financial period ended 31 December 2020, the Company increased its issued and paid-up share capital by way of:-

- (i) an issuance of 23,670,710 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 98,600,000 new ordinary shares at an issuance price of RM0.226-RM0.324 per ordinary share via private placement to eligible investors for a total cash consideration of RM24,218,900 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 31 December 2020: -

31 December 2020	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	24,963	49,578	3,763	(5,310)	72,994
Segment Results (EBITDA)	4,761	575	253	(627)	4,962
Finance Cost	(807)	(24)	(771)	-	(1,602)
Depreciation and Amortisation	(89)	(646)	(310)	-	(1,045)
Consolidated Profit Before Tax					2,315
ASSETS					
Segment Assets	75,016	249,434	38,367	-	362,817
LIABILITIES					
Segment Liabilities	45,969	150,552	17,575	-	214,096
OTHER INFORMATION					
Capital Expenditure	333	-	224	-	557
Depreciation and Amortisation	89	646	310	-	1,045
Other Non-Cash Expenses	-	-	-	-	-

31 December 2019	Construction RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Sales	35,547	49,265	2,934	(5,880)	81,866
Segment Results (EBITDA)	8,733	7,243	(174)	(2,642)	13,160
Finance Cost	(731)	(5)	(972)	-	(1,708)
Depreciation and Amortisation	(62)	(487)	(305)	-	(854)
Consolidated Profit Before Tax					10,598
ASSETS					
Segment Assets	59,007	218,636	45,670	-	323,313
LIABILITIES					
Segment Liabilities	36,677	148,434	15,140	-	200,251
OTHER INFORMATION					
Capital Expenditure	98	86	12	-	196
Depreciation and Amortisation	62	487	305	-	854
Other Non-Cash Expenses	805	100	-	-	905



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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	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Malaysia	72,994	81,866	362,817	323,313	557	196
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	72,994	81,866	362,817	323,313	557	196

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 3 March 2021, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 31 December 2020, except for the following:

- (a) On 6 January 2021, 8 January 2021, 18 January 2021, 4 February 2021, 10 February 2021 and 26 February 2021, there are total of 1,478,500 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 18,735,000 ICPS to 1,873,500 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 December 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 3 March 2021, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

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

	Company	
	As at	As at
	31.12.2020	31.12.2019
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	66,970	60,610

There were no contingent assets since the last annual balance sheet as at 31 December 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	Preceding
	Year To Date	Year To Date
	31.12.2020	31.12.2019
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which has substantial financial interest and is connected to a director of the company	19,604	26,288
Marketing fee to a company which has substantial financial interest and is connected to a director of the company	2,530	3,784
Subcontractor fee to a company which has substantial financial interest and is connected to a director of the company	434	3,000

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	27,253	21,272	72,994	81,866
Profit before tax	3,244	2,841	2,315	10,598

The revenue and profit before tax in the current quarter and cumulative period reflected an improvement in sales and higher progress revenue recognised across Group's existing on-going projects in Quarter 4 of the year.

Further Analysis by Segments

Property Development Segment

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

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

	Individual Quarter	
	31.12.2020	30.09.2020
	RM'000	RM'000
Revenue	27,253	13,806
Profit/(Loss) before tax	3,244	(721)

The Group recorded profit before tax of RM 3.2 million for the current quarter as compared to loss before tax of RM 0.7 million in the immediate preceding quarter. With the gradual easing of lockdown measures, the Group's revenue grew significantly from RM13.8 million in the immediate preceding quarter to RM27.3 million in the current quarter.

The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments, as well as the reversal of impairment on receivables due to better recoverability effort and measurement during the period under review.



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PART B

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

3. Current Year Prospects

2020 has been a challenging year, mainly weighed by strict containment measures to curb the Coronavirus Disease 2019 (Covid-19) outbreak. While the immediate outlook for 2021 remains uncertain due to mobility and economic activity restrictions, sentiments are expected to improve from the second quarter onwards with vaccination program to be rolled-out in phases from February 2021.

Sales momentum of both Isola – our maiden development project on a 0.4-acre prime land in KLCC and The Mate at Damansara Jaya – co-living and co-working integrated freehold development at the heart of Petaling Jaya has picked-up, while PRIYA Kuantan – the largest affordable housing scheme in Kuantan, is almost sold out. Overall site progresses remain relatively on track with PRIYA Kuantan expected to handover later this year and Isola at KLCC by 2022. Unbilled sales and construction orderbook totalled RM393mil, which could sustain the Group's earnings until 2023.

In terms of the project management consultation segment, Taraf Raya Sdn Bhd, the Group's associated company's subsidiary, has entered into a Memorandum of Understanding with Malaysia Rail Link Sdn Bhd and China Communications Construction (ECRL) Sdn Bhd for the collaboration on the implementation of the East Coast Rail Link project in the State of Pahang on 21 December 2020. The Group will continue its efforts to promote a successful and positive collaboration.

Moving forward, the Group will work closely on the site progresses of each development to ensure timely delivery of projects while continuing the positive sales momentum with various online and offline initiatives. In terms of pipelines, the Group will be on the constant lookout for potential value-accreditve opportunities.

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
	31.12.2020	31.12.2019
	RM'000	RM'000
Income tax	675	3,373
Deferred tax	1,272	(1,765)
Income tax expenses	1,947	1,608
Effective tax rate	84%	15%



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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 and deferred tax assets not recognised for losses incurred in certain subsidiaries.

6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 3 March 2021, 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 31.12.2020 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	6,466
- Revolving credit	15,000
- Term loan	17,157
- Trust receipt	3,837
	<hr/> 42,460
Non-current liabilities	
- Term loan	38,949
- Bank overdrafts	5,901
	<hr/> 44,850
Unsecured:	
Current liabilities	
- Lease liabilities	144
	<hr/> 144
Non-current liabilities	
- Lease liabilities	538
	<hr/> 538
Total Borrowings	<hr/> 87,992 <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.



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)

7. Borrowings and Debt Securities (Cont'd)

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

	As at
	31.12.2020
	RM'000
Ringgit Malaysia	<u>87,992</u>

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 3 March 2021, 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 20 September 2019, ASSB filed an application (“ASSB’s Striking Out Application”) to, among others, strike out the OS.

On 24 September 2019, DSSB also filed an application (“DSSB’s Striking Out Application”) to, among others, strike out the OS.

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 date which was originally fixed on 20 April 2020 was also vacated and rescheduled to 7 July 2020 in view of the court closure during the Movement Control Order of Malaysia which was enforced from 18 March 2020 to 12 May 2020.



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 10 June 2020, the Court allowed the Plaintiff's request to vacate the hearing fixed on 7 July 2020 because a restraining order dated 18 May 2020 ("RO") was obtained in the High Court Originating Summons No. WA-24NCC-70-02/2020 ("OS 70"). A new hearing date of the OS, the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application was subsequently fixed on 10 September 2020.

On 10 September 2020, the Plaintiff's solicitors informed the Court that –

- 1) the RO obtained was further extended until the disposal of the OS 70; and
- 2) OS 70 was fixed for hearing on 17 September 2020.

The Court then proceeded to fix the above matter for case management by way of e-Review on 29 September 2020 for parties to update the Court on the status of the OS, and whether the RO would be further extended.

On 17 September 2020, the application for an extension of the RO was not granted by the Court.

On 29 September 2020, the Court had fixed the OS, the Injunction Application, ASSB's Striking Out Application and DSSB's Striking Out Application for hearing on 12 November 2020 before the Judicial Commissioner Dato' Julie Lack.

The hearing originally fixed on 12 November 2020 was vacated and reschedule to 2 February 2021 by the Court due to the extension of Conditional Movement Control Order. On 2 February 2021, the hearing has been vacated and the Court has fixed for a case management by way of e-mail on 8 April 2021.

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	Preceding	Current	Preceding Year
	Quarter	Year Quarter	Year To Date	Period
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Net profit for the period	2,272	2,420	805	8,881
Weighted average number of ordinary shares issued ('000)	330,809	292,465	330,809	292,465
Effects of: -				
- Private placement ('000)	25,699	29,239	25,699	29,239
- ICPS ('000)	12,619	3,887	12,619	3,887
- Warrant D ('000)	1,642	2	1,642	2
Weighted average number of ordinary shares in issue ('000)	370,769	325,593	370,769	325,593
Basic earnings per share (sen)	0.61	0.74	0.22	2.73
(b) Diluted earnings per share				
	Current Year	Preceding	Current	Preceding Year
	Quarter	Year Quarter	Year To Date	Period
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	2,272	2,420	805	8,881
Weighted average number of ordinary shares in issue ('000)	370,769	325,593	370,769	325,593
- Adjustments for assumed conversion of ICPS ('000)	43,898	60,488	43,898	60,488
- Adjustment for assumed conversion of Warrant D ('000)	16,508	14,888	16,508	14,888
- Adjustment for assumed conversion of share options ('000)	944	-	944	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	432,119	400,969	432,119	400,969
Diluted earnings per share (sen)	0.53	0.60	0.19	2.21



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)

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year	Current
	Quarter	Year to date
	31.12.2020	31.12.2020
	RM'000	RM'000
Interest income	(96)	(712)
Interest expense	418	1,602
Depreciation	344	1,045
Rental expenses	34	389
Rental income	(13)	(54)

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
9 March 2021