



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 2019

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.9.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year To Date N/A RM'000
Revenue		17,659	-	60,594	-
Cost of sales		(14,153)	-	(44,666)	-
Gross profit		3,506	-	15,928	-
Other income		934	-	1,034	-
Other operating expenses		(221)	-	(624)	-
Administrative expenses		(1,130)	-	(7,285)	-
Finance costs		(314)	-	(1,219)	-
Share of loss from associate		(23)	-	(77)	-
Profit before tax		2,752	-	7,757	-
Income tax expense	B5	(863)	-	(1,432)	-
Profit after taxation for the financial period		1,889	-	6,325	-
Other Comprehensive Expense, net of Tax:					
Foreign currency translation		-	-	-	-
Total Comprehensive Income	B11	1,889	-	6,325	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Due to the change in financial year end from 31 July 2018 to 31 December 2018, there are no comparative figures for this quarter.



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Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the financial quarter ended 30 September 2019 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.9.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year To Date N/A RM'000
Profit/(loss) after taxation attributable to:					
Owners of the Company		1,976	-	6,461	-
Non-Controlling Interests		(87)	-	(136)	-
		1,889	-	6,325	-
Total Comprehensive Income/(expense) attributable to:					
Owners of the Company	B11	1,976	-	6,461	-
Non-Controlling Interests		(87)	-	(136)	-
		1,889	-	6,325	-
Earnings per share ("EPS") (in sen)					
- Basic	B10	0.61	-	2.00	-
- Diluted	B10	0.50	-	1.62	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Due to the change in financial year end from 31 July 2018 to 31 December 2018, there are no comparative figures for this quarter.



OCR Group Berhad
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Condensed Consolidated Statement of Financial Position
As at 30 September 2019

	Note	As at 30.9.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		2,359	2,464
Deferred Tax Asset		1,921	757
Investment property		1,823	1,854
Inventories		55,366	55,336
Investment in an associate		409	486
Other receivable		14,164	13,323
		76,042	74,220
Current Assets			
Contract assets		24,193	16,098
Inventories		89,059	80,167
Trade and others receivables		103,250	82,292
Current tax assets		7	795
Cash and cash equivalents		21,443	16,293
		237,952	195,645
TOTAL ASSETS		313,994	269,865
EQUITY AND LIABILITIES			
Share capital		117,874	88,457
Irredeemable convertible preference shares		29,084	32,187
Reserves		(19,278)	(7,613)
Shareholders' funds		127,680	113,031
Non-controlling interests		(1,543)	(1,407)
TOTAL EQUITY		126,137	111,624
Non-Current Liabilities			
Long-term bank borrowings	B7	41,884	38,998
Deferred tax liabilities		179	179
Other payable		40,503	40,503
		82,566	79,680
Current Liabilities			
Trade and other payables		68,953	46,564
Contract liability		-	2,262
Short-term borrowings	B7	34,259	29,132
Current tax liabilities		2,079	603
		105,291	78,561
TOTAL LIABILITIES		187,857	158,241
TOTAL EQUITY AND LIABILITIES		313,994	269,865
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.27	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2019

	<-----Attributable to owners of the company----->							
	<-----Non-Distributable----->			Distributable				
	Share Capital RM'000	Share Premium RM'000	Reserve RM'000	Irredeemable Convertible Preference Shares 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
Profit/(loss) after taxation for the period	-	-	-	-	6,461	6,461	(136)	6,325
Other comprehensive expense for the period, net of tax	-	-	-	-	-	-	-	-
Total comprehensive Income/(expense) for the period	-	-	-	-	6,461	6,461	(136)	6,325
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
- exercise of								
- ICPS	3,103	-	-	(3,103)	-	-	-	-
- Warrant D	1	-	-	-	-	1	-	1
- Private Placement	8,187	-	-	-	-	8,187	-	8,187
Transfer from share premium	18,126	(18,126)	-	-	-	-	-	-
Balance as at 30 September 2019	117,874	-	890	29,084	(20,168)	127,680	(1,543)	126,137

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 2018 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 2019 (Cont'd)

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

	< ----- Non Distributable ----- >					Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Warrants Reserve	Foreign Exchange Translation Reserve	Irredeemable Convertible Preference Shares	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 August 2017	68,745	18,475	1,721	572	32,232	(19,592)	102,153	(817)	101,336
Loss after taxation for the period	-	-	-	-	-	(7,037)	(7,037)	(293)	(7,330)
Other comprehensive Income for the period, net of tax									
- Foreign currency translation	-	-	-	(572)	-	-	(572)	-	(572)
Total comprehensive expense for the period	-	-	-	(572)	-	(7,037)	(7,609)	(293)	(7,902)
Issuance of									
- exercise of SIS	2,805	-	-	-	-	-	2,805	-	2,805
- exercise of ICPS	90	-	-	-	-	-	90	-	90
- Private placement	15,941	-	-	-	-	-	15,941	-	15,941
Transfer upon conversion of ICPS	45	-	-	-	(45)	-	-	-	-
Transfer upon SIS exercised	831	-	(831)	-	-	-	-	-	-
Direct expenses	-	(349)	-	-	-	-	(349)	-	(349)
Acquisition of subsidiary	-	-	-	-	-	-	-	(297)	(297)
Balance as at 31 December 2018	88,457	18,126	890	-	32,187	(26,629)	113,031	(1,407)	111,624

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 2018 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 2019

	Current Year to date 30.9.2019 RM'000	Preceding Year to date N/A RM'000
Cash Flows from Operating Activities		
Profit before tax	7,757	-
Adjustments for:		
Non-cash items	680	-
Non-operating items	381	-
<i>Operating profit before working capital changes</i>	8,818	-
Net change in current assets	(41,078)	-
Net change in current liabilities	22,391	-
<i>Cash used in operations</i>	(9,869)	-
Tax paid	(333)	-
<i>Net cash used in operating activities</i>	(10,202)	-
Cash Flows from Investing Activities		
Proceed from disposal of property, plant and equipment	90	-
Purchase of property, plant and equipment	(55)	-
Interest received	838	-
<i>Net cash from investing activities</i>	873	-
Cash Flows from Financing Activities		
Interest paid	(1,219)	-
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	8,187	-
-Warrant D	1	-
Drawdown of bank borrowings	14,211	-
Repayment of bank borrowings	(9,685)	-
Placement of fixed deposit pledged with a licensed bank	(2,408)	-
<i>Net cash generated from financing activities</i>	9,087	-
<i>Net cash decreased in cash and cash equivalents</i>	(242)	-
<i>Cash and cash equivalents at beginning of the financial year</i>	(4,160)	-
<i>Cash and cash equivalents at end of the financial period</i>	(4,402)	-



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Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2019 (Cont'd)

	Current Year To Date 30.9.2019 RM'000	Preceding Year To Date N/A RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	17,999	-
Cash and bank balances	3,444	-
Bank overdrafts	(7,846)	-
	<hr/>	
	13,597	-
Less: Fixed deposit pledged to licensed banks	(17,999)	-
	<hr/>	
	(4,402)	-
	<hr/>	

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2018.

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 2018. The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 January 2019 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 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
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 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

1. Basis of Preparation (Cont'd)

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 except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principal classification categories for financial assets (measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income) and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available-for-sale financial assets.

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

The Group is currently assessing the impact of implementing MFRS 9. As a result, the potential impact on the adoption of this standard would only be observable when the assessment is completed later.

2. Status of Audit Qualifications

The audited financial statements of the Group for the financial year ended 31 December 2018 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.



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

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

- (i) There are total of 6,206,630 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 62,066,300 ICPS to 6,206,630 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share during the financial period ended 30 September 2019.
- (ii) On 5 September 2019, the Company allotted 4,571 new ordinary shares at an exercise price of RM0.22 per share for cash pursuant to the conversion of Warrant D undertaken by the warrant holders of the Company.

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.

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 2019: -

30 September 2019	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	1,535	16,124	1,325	-	(1,325)	17,659
Segment Results (EBITDA)	920	2,499	1,205	(12)	(1,325)	3,287
Finance Cost	(86)	-	(228)	-	-	(314)
Depreciation and Amortisation	(11)	(122)	(88)	-	-	(221)
Consolidated Profit Before Tax						2,752
ASSETS						
Segment Assets	115,698	156,784	154,982	18	(113,488)	313,994
LIABILITIES						
Segment Liabilities	97,455	151,192	43,699	2,272	(106,759)	187,859
OTHER INFORMATION						
Capital Expenditure	-	-	-	-	-	-
Depreciation and Amortisation	11	122	88	-	-	221
Other Non-Cash Expenses	-	-	-	-	-	-



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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 September 2019 RM'000	N/A RM'000	30 September 2019 RM'000	N/A RM'000	30 September 2019 RM'000	N/A RM'000
Malaysia	17,659	-	313,994	-	-	-
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	17,659	-	313,994	-	-	-

9. Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the reporting period up to 22 November 2019, 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 2019, except for the following:

- (i) On 9 October 2019, 10 October 2019, 15 October 2019, 22 October 2019, 8 November 2019, 13 November 2019 and 21 November 2019, there are total of 2,778,810 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 27,788,100 ICPS to 2,778,810 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.
- (ii) On 24 October 2019, the Group has disposed the 100% equity of Japlo Healthcare Sdn Bhd, a wholly-owned subsidiary for a total cash consideration of RM1.

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 2019.



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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 22 November 2019, 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 30.9.2019 RM'000	As at 30.6.2019 RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	55,002	49,656

There were no contingent assets since the last annual balance sheet as at 30 September 2019.

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 30.9.2019 RM'000	Preceding Year To Date N/A RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which is connected to a director of the company	21,023	-
Marketing fee to a company which a director has a substantial financial interest	363	-

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	
	30.9.2019 RM'000	N/A RM'000	30.9.2019 RM'000	N/A RM'000
Revenue	17,659	-	60,594	-
Profit before tax	2,752	-	7,757	-

For the current quarter and cumulative period under review, the Group's revenue was mainly contributed by the construction and property development segments. The profit before tax was contributed by the progressive revenue recognition by the property development and construction segments in the cumulative period under review.

Further Analysis by Segments

Construction Segment

The revenue and profit before tax in the current and cumulative period were mainly contributed by the progressive revenue recognised by the 'YOLO at Sunway Mentari' project.

Property Development Segment

The revenue and profit before tax in the current and cumulative periods under review was a result of progressive recognition of revenue mainly contributed by Isola at KLCC and PRIYA at Kuantan projects.

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

	Individual Quarter	
	30.9.2019 RM'000	30.6.2019 RM'000
Revenue	17,659	21,142
Profit before tax	2,752	3,135

The Group recorded profit before tax of RM2.8 million for the current quarter as compared to the immediate preceding quarter profit before tax of RM3.1 million. 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

Since the Group ventured into the construction and property development businesses in 2015 and 2016 respectively, the Group has undertaken various projects. Currently, the Group has 2 on-going property development projects namely Isola @ KLCC – an integrated development in Jalan Yap Kwan Seng with gross development value (“GDV”) of RM273mil, and PRIYA Scheme Kuantan – the largest affordable housing scheme in Kuantan with GDV of RM166mil. For the construction business, Group is currently working on the construction of a commercial development project in Sunway Mentari, Bandar Sunway, Petaling Jaya with contract value of RM150mil.

At this juncture, the Group has secured a total GDV and contract value of more than RM1.4 billion over the next 3 years, with presence across major cities in Malaysia such as Klang Valley, Pahang, Melaka and Johor. One of these projects is The Mate at Damansara Jaya, a 1.0-acre integrated development comprising 268 units of signature suites integrated with a co-working and co-living concept. The project is targeted to be launched by 4th quarter of 2019 and has an estimated GDV of RM144 mil. It is expected to contribute positively to the earnings of the Group of current FYE 31 December 2019 as well as the future years.

Through efforts such as brand building and business development activities in future, we hope the market will be aware of the existence of a new niche construction and property player making waves in the Klang Valley and key cities within Malaysia.

Notwithstanding the secured construction works and those announced proposals in relate to development projects, the Group is also aggressively taking steps to source and negotiate for more new business opportunities.

With those efforts undertaken by the Group, our management is of the opinion that the prospects of the Group will continue to improve in the future.

4. Variances Between Actual Profit and Forecast Profit

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

5. Tax Expense

	Group	
	Current	Preceding
	Year to date	Year to date
	30.9.2019	N/A
	RM'000	RM'000
Income tax	2,596	-
Deferred tax	(1,164)	-
Profit before tax	1,432	-
Effective tax rate	18%	



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

5. Tax Expense (Cont'd)

The effective tax rate of the Group for the financial year-to-date under review is lower than statutory tax rate due to tax payable is only applicable for certain profitable subsidiaries.

6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 November 2019, 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 30.9.2019 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	7,846
- Revolving credit	15,000
- Term loan	6,225
- Trust receipt	4,991
	<hr/> 34,062
Non-current liabilities	
- Term loan	41,405
	<hr/> 41,405
Unsecured:	
Current liabilities	
- Hire purchase payable	197
	<hr/> 197
Non-current liabilities	
- Hire purchase payable	479
	<hr/> 479
Total Borrowings	<hr/> <hr/> 76,143

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
	30.9.2019
	RM'000
Ringgit Malaysia	76,143

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 22 November 2019, 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.



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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.

9. Dividend

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



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

10. Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.9.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year Period N/A RM'000
(a) Basic earnings per share				
Net profit for the period	1,976	-	6,461	-
Weighted average number of ordinary shares issued ('000)	292,465	-	292,465	-
Effects of: -				
- Private placement ('000)	28,384	-	28,384	-
- ICPS ('000)	1,965	-	1,965	-
- Warrant D ('000)	1	-	1	-
Weighted average number of ordinary shares in issue ('000)	322,815	-	322,815	-
Basic earnings per share (sen)	0.61	-	2.00	-
(b) Diluted earnings per share				
	Current Year Quarter 30.9.2019 RM'000	Preceding Year Quarter N/A RM'000	Current Year To Date 30.9.2019 RM'000	Preceding Year Period N/A RM'000
Net profit for the period	1,976	-	6,461	-
Weighted average number of ordinary shares in issue ('000)	322,815	-	322,815	-
- Adjustments for assumed conversion of ICPS ('000)	58,168	-	58,168	-
- Adjustment for assumed conversion of Warrant D ('000)	18,162	-	18,162	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	399,145	-	399,145	-
Diluted earnings per share (sen)	0.50	-	1.62	-



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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 Quarter 30.9.2019 RM'000	Current Year to date 30.9.2019 RM'000
Interest income	(228)	(838)
Interest expense	316	1,219
Depreciation and amortisation	221	624
Rental expenses	141	422
Rental income	(65)	(127)
Gain on disposal of property, plant and equipment	-	(18)

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 2019