



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

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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.03.2019 RM'000
Revenue		28,014	21,793	28,014	21,793
Cost of sales		(23,875)	(16,041)	(23,875)	(16,041)
Gross profit		4,139	5,752	4,139	5,752
Other income		406	271	406	271
Other operating expenses		(200)	(206)	(200)	(206)
Administrative expenses		(2,136)	(3,194)	(2,136)	(3,194)
Finance costs		(383)	(753)	(383)	(753)
Share of loss from associate		(15)	-	(15)	-
Profit before tax		1,811	1,870	1,811	1,870
Income tax expense	B5	(572)	(351)	(572)	(351)
Profit after taxation for the financial period		1,239	1,519	1,239	1,519
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the financial period	B11	1,239	1,519	1,239	1,519

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 March 2020 (Cont'd)

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.03.2019 RM'000
Profit after taxation attributable to:					
Owners of the Company		1,204	1,517	1,204	1,517
Non-Controlling Interests		35	2	35	2
		1,239	1,519	1,239	1,519
Total Comprehensive Income attributable to:					
Owners of the Company	B11	1,204	1,517	1,204	1,517
Non-Controlling Interests		35	2	35	2
		1,239	1,519	1,239	1,519
Earnings per share ("EPS") (in sen)					
- Basic	B10	0.36	0.48	0.36	0.48
- Diluted	B10	0.29	0.39	0.29	0.39

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 March 2020

	Note	As at 31.03.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		368	383
Property, plant and equipment		1,506	1,655
Investment property		1,802	1,812
Right-of-use asset		544	583
Inventories		29,773	29,764
Other receivable		14,709	14,456
Deferred Tax Asset		2,522	2,522
		51,224	51,175
Current Assets			
Inventories		89,660	90,374
Contract Cost		37,173	34,791
Trade and others receivables		104,201	98,342
Contract assets		36,773	27,149
Current tax assets		-	28
Cash and cash equivalents		21,480	21,454
		289,287	272,138
TOTAL ASSETS		340,511	323,313
EQUITY AND LIABILITIES			
Share capital		121,878	119,321
Irredeemable convertible preference shares		25,080	27,637
Reserves		(21,349)	(22,553)
Shareholders' funds		125,609	124,405
Non-controlling interests		(1,308)	(1,343)
TOTAL EQUITY		124,301	123,062
Non-Current Liabilities			
Long-term bank borrowings	B7	46,919	39,213
Deferred tax liabilities		179	179
Other payable		43,015	42,180
		90,113	81,572
Current Liabilities			
Trade and other payables		86,476	74,365
Short-term borrowings	B7	35,993	41,457
Current tax liabilities		3,628	2,857
		126,097	118,679
TOTAL LIABILITIES		216,210	200,251
TOTAL EQUITY AND LIABILITIES		340,511	323,313
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.26	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 31 March 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
Profit after taxation/ Total comprehensive income for the period	-	-	-	-	1,204	1,204	35	1,239
Transaction with owners of the company: Issuance of ordinary share pursuant to: exercise of - ICPS	2,557	-	-	(2,557)	-	-	-	-
Balance as at 31 March 2020	121,878	-	890	25,080	(22,239)	125,609	(1,308)	124,301

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 March 2019 (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 - Warrant D - Private Placement Transfer from share premium	4,550 1 8,187 18,126	- - - (18,126)	- - - -	(4,550) - - -	- - - -	- 1 8,187 -	- - - -	- 1 8,187 -
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 March 2020

	Current Year to date 31.03.2020 RM'000	Preceding Year to date 31.3.2019 RM'000
Cash Flows from Operating Activities		
Profit before tax	1,811	1,870
Adjustments for:		
Non-cash items	231	217
Non-operating items	9	514
<i>Operating profit before working capital changes</i>	2,051	2,601
Net change in current assets	(17,413)	(19,524)
Net change in current liabilities	13,171	7,318
<i>Cash used in operations</i>	(2,191)	(9,605)
Tax paid	2	17
<i>Net cash used in operating activities</i>	(2,189)	(9,588)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(18)	(50)
Interest received	374	239
<i>Net cash from investing activities</i>	356	189
Cash Flows from Financing Activities		
Interest paid	(383)	(753)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	-	8,187
Drawdown of bank borrowings	2,729	1,488
Repayment of bank borrowings	(1,592)	(20)
Placement of fixed deposit pledged with a licensed bank	(130)	(2,086)
<i>Net cash generated from financing activities</i>	624	6,816
<i>Net cash decreased in cash and cash equivalents</i>	(1,209)	(2,583)
<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>	(5,569)	(6,743)



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For the period ended 31 March 2020 (Cont'd)

	Current Year To Date 31.03.2020 RM'000	Preceding Year To Date 31.3.2019 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	18,267	17,676
Cash and bank balances	3,213	126
Bank overdrafts	(8,782)	(6,869)
	12,698	10,933
Less: Fixed deposit pledged to licensed banks	(18,267)	(17,676)
	(5,569)	(6,743)

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 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

- (i) The Company increased its issued and paid-up share capital by way of an issuance of 5,113,600 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 during the financial period ended 31 March 2020.

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 March 2020: -

31 March 2020	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	5,457	22,490	832	-	(765)	28,014
Segment Results (EBITDA)	396	2,238	(468)	-	244	2,410
Finance Cost	(160)	(1)	(222)	-	-	(383)
Depreciation and Amortisation	(16)	(122)	(78)	-	-	(216)
Consolidated Profi Before Tax						1,811
ASSETS						
Segment Assets	80,226	229,449	149,505	-	(118,669)	340,511
LIABILITIES						
Segment Liabilities	74,830	210,277	40,757	-	(109,654)	216,210
OTHER INFORMATION						
Capital Expenditure	13	5	-	-	-	18
Depreciation and Amortisation	160	1	222	-	-	383
Other Non-Cash Expenses	15	-	-	-	-	15

31 March 2019	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	7,438	14,355	-	-	-	21,793
Segment Results (EBITDA)	1,952	2,423	(1,546)	-	-	2,829
Finance Cost	(513)	(4)	(236)	-	-	(753)
Depreciation and Amortisation	(11)	(119)	(76)	-	-	(206)
Consolidated Profi Before Tax						1,870
ASSETS						
Segment Assets	103,300	142,985	151,711	22	(109,680)	288,338
LIABILITIES						
Segment Liabilities	89,830	138,632	40,195	2,264	(103,913)	167,008
OTHER INFORMATION						
Capital Expenditure	43	-	7	-	-	50
Depreciation and Amortisation	11	119	76	-	-	206
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	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Malaysia	28,014	21,793	340,511	288,338	18	50
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	28,014	21,793	340,511	288,338	18	50

9. Valuation of Property, Plant and Equipment

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



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

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

There were no material events subsequent to the reporting period up to 23 June 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 31 March 2020, except for the following:

- (a) On 7 April 2020, 15 April 2020, 24 April 2020, 21 May 2020, 4 June 2020 and 16 June 2020 and 18 June, there are total of 14,310,970 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 95,923,700 ICPS to 9,592,370 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.
- (b) On 4 June 2020 and 16 June 2020, there are total of 2,632,000 ordinary shares of RM0.22 each have been issued pursuant to the exercise of Warrants D.
- (c) On 19 May 2020 and 20 May 2020, the Company allotted and issued 2,500,000 and 1,500,000 subscription of shares respectively at an issue price of RM 0.245 to Macquarie Bank.
- (d) On 6 May 2020, SSSB has entered into a Share Sales Agreements (“SSA”) to acquire 900,000 ordinary shares representing 100% of the total issued and paid-up share capital of Fotopop (M) Sdn. Bhd. (“FMSB”) from Ms. Low Hui Hun and Ms. Low Wei Eng for a cash consideration of RM10,900,000.

Upon completion of the SSA, FMSB will become a wholly-owned subsidiary of SSSB.

- (e) On 1 June 2020, OLDSB has entered into a Joint Development Agreement (“JDA”) with OCR Development Sdn. Bhd., a related party of the Company, to jointly develop a piece of leasehold land located in Mukim Sungai Buloh, District of Petaling, Negeri Selangor.
- (f) On 4 June 2020, ODKSB had granted SSPP Development Sdn. Bhd. (“SSPP”) an extension of time frame for the Condition Precedent under Section 3 of the Joint Venture Agreement dated 1 June 2015 to be extended for another six (6) months from 1 June 2020 and to be expiring on 30 November 2020 as SSPP’s application to the State Authorities for the conversion of the said land is still in progress.
- (g) On 18 June 2020, LSSB entered into a Joint Venture and Shareholder’s Agreement (“JVSA”) with Perbadanan Kemajuan Negeri Pahang for the purpose of investment into a joint venture company known as Taraf Raya Sdn. Bhd. to provide the mechanical and civil work relating to East Coast Rail Link Project (“Project”). LSSB is currently at negotiation stage with Malaysia Rail Link Sdn. Bhd. and China Communications Construction (ECRL) Sdn. Bhd in regards to this Project.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 March 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 23 June 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	As at
	31.03.2020	31.12.2019
	RM'000	RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	61,715	60,610
	61,715	60,610

There were no contingent assets since the last annual balance sheet as at 31 March 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
	31.03.2020	31.03.2019
	RM'000	RM'000
<u>Inter Company Transactions</u>		
Progress billing to a company which is connected to a director of the company	9,084	7,183
Marketing fee to a company which a director has a substantial financial interest	483	-
	483	-

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	28,014	21,793	28,014	21,793
Profit before tax	1,811	1,870	1,811	1,870

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 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, PRIYA at Kuantan and The Mate at Damansara Jaya.

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

	Individual Quarter	
	31.03.2020	31.12.2019
	RM'000	RM'000
Revenue	28,014	21,236
Profit before tax	1,811	2,878

The Group recorded profit before tax of RM 1.8 million for the current quarter as compared to the immediate preceding quarter profit before tax of RM 2.8 million. The profit before tax was mainly contributed by the progressive revenue recognised from the property development and construction segments. Higher preceding quarter profit before tax mainly due to gain on disposal of subsidiary amounting to RM 1.2 million.



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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 Malaysian economy was under significant pressure with the proliferation of the Coronavirus 2019 since the beginning of the year. During the Movement Control Order (“MCO”) starting from 18 March 2020, the Group has re-strategized and implemented various measures in managing its cash flow and operational risk, including initiatives on off-site/virtual marketing, funding realignment and site planning optimization. As of early June, the Group has successfully resumed all construction sites, sales and office operations.

The Group has over RM353.5 millions of unbilled sales and construction orderbook that could sustain its operations until 2022. This includes development projects of Isola @ KLCC, PRIYA Scheme Kuantan and The Mate at Damansara Jaya, as well as construction work for YOLO Signature Suites. Moving forward, the Group will closely monitor the market while planning future launches to ensure good take-ups. As for construction segment, the Group will continue to be on the lookout for opportunities.

Meanwhile, the Group through its associated company of Landasan Surimas Sdn Bhd entered into a 70:30 joint venture with Perbadanan Kemajuan Negeri Pahang (“PKNP”) to participate in the Pahang stretch of East Coast Rail Link. The Project is currently at negotiation stage with Malaysia Rail Link Sdn Bhd and China Communications Construction (ECRL) Sdn Bhd on the final contract, which will be announced in due course.

With the pandemic being under control as Malaysia moves into the Recovery Movement Control Order (“RMCO”) phase, coupled with various economic stimulus packages introduced by the government, the Group believes that the consumer confidence and market conditions will gradually improve over time. However, the Group wishes to caution that its financial results for the subsequent quarters might be adversely impacted. In view of that, the Group will take the necessary steps to mitigate the risk and to improve on the outcome.

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
	31.03.2020	31.03.2019
	RM'000	RM'000
Income tax	572	351
Deferred tax	-	-
Profit before tax	572	351
Effective tax rate	32%	19%



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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 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 23 June 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 31.03.2020 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	8,782
- Revolving credit	15,000
- Term loan	7,112
- Trust receipt	4,997
	<hr/> 35,891
Non-current liabilities	
- Term loan	46,401
	<hr/>
Unsecured:	
Current liabilities	
- Lease liabilities	102
	<hr/>
Non-current liabilities	
- Lease liabilities	518
	<hr/>
Total Borrowings	<hr/> 82,912 <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
	31.03.2020
	RM'000
Ringgit Malaysia	<u>82,912</u>

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 23 June 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.



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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.

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 will be fixed by court later.

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 31.03.2020 RM'000	Preceding Year Quarter 31.3.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year Period 31.3.2019 RM'000
(a) Basic earnings per share				
Net profit for the period	1,204	1,517	1,204	1,517
Weighted average number of ordinary shares issued ('000)	330,809	292,465	330,809	292,465
Effects of: -				
- Private placement ('000)	-	26,640	-	26,640
- ICPS ('000)	2,194	128	2,194	128
- Warrant D ('000)	-	-	-	-
Weighted average number of ordinary shares in issue ('000)	333,003	319,233	333,003	319,233
Basic earnings per share (sen)	0.36	0.48	0.36	0.48
(b) Diluted earnings per share				
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.3.2019 RM'000	Current Year To Date 31.03.2020 RM'000	Preceding Year Period 31.3.2019 RM'000
Net profit for the period	1,204	1,517	1,204	1,517
Weighted average number of ordinary shares in issue ('000)	333,003	319,233	333,003	319,233
- Adjustments for assumed conversion of ICPS ('000)	67,911	64,222	67,911	64,222
- Adjustment for assumed conversion of Warrant D ('000)	10,813	4,869	10,813	4,869
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	411,727	388,324	411,727	388,324
Diluted earnings per share (sen)	0.29	0.39	0.29	0.39



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

11. Notes to the Statement of Comprehensive Income

	Group	
	Current Year Quarter 31.03.2020 RM'000	Current Year to date 31.03.2020 RM'000
Interest income	(374)	(374)
Interest expense	383	383
Depreciation and amortization	216	216
Rental expenses	131	131
Rental income	(18)	(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 June 2020