



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 2020

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000
Revenue		13,806	17,659	45,741	60,594
Cost of sales		(11,127)	(14,153)	(38,438)	(44,666)
Gross profit		2,679	3,506	7,303	15,928
Other income		407	934	1,037	1,034
Other operating expenses		(243)	(221)	(646)	(624)
Administrative expenses		(2,804)	(1,130)	(7,318)	(7,285)
Finance costs		(680)	(314)	(1,184)	(1,219)
Share of loss from associate		(80)	(23)	(121)	(77)
(Loss)/Profit before tax		(721)	2,752	(929)	7,757
Income tax expense	B5	(162)	(863)	(456)	(1,432)
(Loss)/Profit after taxation for the financial period		(883)	1,889	(1,385)	6,325
Other Comprehensive Income/(Expenses)		-	-	-	-
Total Comprehensive (Expense)/Income for the financial period	B11	(883)	1,889	(1,385)	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 2019 and the accompanying explanatory notes attached to the interim financial statements.



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

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000
Profit after taxation attributable to:					
Owners of the Company		(948)	1,976	(1,467)	6,461
Non-Controlling Interests		65	(87)	82	(136)
		(883)	1,889	(1,385)	6,325
Total Comprehensive Income attributable to:					
Owners of the Company	B11	(948)	1,976	(1,467)	6,461
Non-Controlling Interests		65	(87)	82	(136)
		(883)	1,889	(1,385)	6,325
(Loss)/Earnings per share ("EPS") (in sen)					
- Basic	B10	(0.27)	0.61	(0.42)	1.99
- Diluted	B10	(0.23)	0.49	(0.35)	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 2019 and the accompanying explanatory notes attached to the interim financial statements.



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

	Note	As at 30.09.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		662	383
Property, plant and equipment		12,257	1,655
Investment property		1,781	1,812
Right-of-use asset		465	583
Inventories		29,788	29,764
Other receivable		14,709	14,456
Deferred Tax Asset		2,570	2,522
		62,232	51,175
Current Assets			
Inventories		86,974	90,374
Contract Cost		40,424	34,791
Trade and others receivables		92,343	98,342
Contract assets		43,265	27,149
Current tax assets		15	28
Cash and cash equivalents		27,384	21,454
		290,405	272,138
TOTAL ASSETS		352,637	323,313
EQUITY AND LIABILITIES			
Share capital		145,301	119,321
Irredeemable convertible preference shares		16,134	27,637
Reserves		(23,576)	(22,553)
Shareholders' funds		137,859	124,405
Non-controlling interests		(1,261)	(1,343)
TOTAL EQUITY		136,598	123,062
Non-Current Liabilities			
Long-term bank borrowings	B7	48,067	39,213
Deferred tax liabilities		179	179
Other payable		44,166	42,180
		92,412	81,572
Current Liabilities			
Trade and other payables		80,846	74,365
Short-term borrowings	B7	39,902	41,457
Current tax liabilities		2,879	2,857
		123,627	118,679
TOTAL LIABILITIES		216,039	200,251
TOTAL EQUITY AND LIABILITIES		352,637	323,313
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.34	0.38

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



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

	<-----Attributable to owners of the company----->							
	<-----Non-Distributable----->			Distributable				
	Share Capital	Warrants Reserve	Share Option Reserve	Irredeemable Convertible Preference Shares (‘ICPS’)	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Balance as at 1 January 2020	119,321	890	-	27,637	(23,443)	124,405	(1,343)	123,062
(Loss)/profit after taxation								
Total comprehensive (expenses)/income for the period	-	-	-	-	(1,467)	(1,467)	82	(1,385)
Transaction with owners of the company:								
Issuance of ordinary share pursuant to:								
exercise of								
- ICPS	11,503	-	-	(11,503)	-	-	-	-
- Warrant D	628	-	-	-	-	628	-	628
- Private Placement	13,849	-	-	-	-	13,849	-	13,849
Share options issued	-	-	444	-	-	444	-	444
Balance as at 30 September 2020	145,301	890	444	16,134	(24,910)	137,859	(1,261)	136,598

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



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

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

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



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

	Current Year to date 30.09.2020 RM'000	Preceding Year to date 30.09.2019 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before tax	(929)	7,757
Adjustments for:		
Non-cash items	768	680
Non-operating items	981	381
<i>Operating profit before working capital changes</i>	820	8,818
Net change in current assets	(23,527)	(41,078)
Net change in current liabilities	8,542	22,391
<i>Cash used in operations</i>	(14,165)	(9,869)
Tax paid	(697)	(333)
<i>Net cash used in operating activities</i>	(14,862)	(10,202)
Cash Flows from Investing Activities		
Proceed from disposal of property, plant and equipment	-	90
Purchase of property, plant and equipment	(47)	(55)
Interest received	647	838
Acquisition of an associate	(400)	-
<i>Net cash from investing activities</i>	200	873
Cash Flows from Financing Activities		
Interest paid	(1,184)	(1,219)
Proceeds from issuance of ordinary shares pursuant to:		
-Private placement, net of expenses	13,849	8,187
-Warrant D	628	1
Drawdown of bank borrowings	6,012	14,211
Repayment of bank borrowings	(2,772)	(9,685)
Placement of fixed deposit pledged with a licensed bank	(398)	(2,408)
<i>Net cash generated from financing activities</i>	16,135	9,087
<i>Net cash increased/(decreased) in cash and cash equivalents</i>	1,473	(242)
<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>	(2,887)	(4,402)



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

	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000
Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	18,535	17,999
Cash and bank balances	8,849	3,444
Bank overdrafts	(11,736)	(7,846)
	15,648	13,597
Less: Fixed deposit pledged to licensed banks	(18,535)	(17,999)
	(2,887)	(4,402)

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

PART A
EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2019.

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the latest audited financial statements for the financial year ended 31 December 2019. The adoption of the MFRSs and Amendments to MFRSs that came into effect after 1 January 2020 did not have any significant impact on the interim financial statements upon their initial application.

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

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

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER

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

2. Status of Audit Qualifications

The audited financial statements of the Group for the financial year ended 31 December 2019 was not subject to any audit qualification.

3. Seasonality or Cyclically of Operations

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

4. Unusual Items

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

5. Changes in Estimates

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

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

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

- (i) an issuance of 23,006,710 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 53,050,000 new ordinary shares at an issuance price of RM0.245-RM0.324 per ordinary share via private placement to eligible investors for a total cash consideration of RM13,848,600 for working capital purpose; and
- (iii) an issuance of 2,853,428 new ordinary shares from the exercise of Warrant D at the exercise price of RM 0.22 per warrant.

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

7. Dividend

There were no dividends paid during the current quarter.



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

8. Segment Information

The following is an analysis of the consolidated revenue and consolidated result of the Group by segment of its operating activities for the current quarter ended 30 September 2020: -

30 September 2020	Construction RM'000	Property Development RM'000	Others RM'000	Trading RM'000	Elimination RM'000	Consolidation RM'000
External Sales	7,212	8,143	636	-	(2,185)	13,806
Segment Results (EBITDA)	1,204	341	(1,055)	-	(318)	172
Finance Cost	(313)	-	(367)	-	-	(680)
Depreciation	(15)	(124)	(74)	-	-	(213)
Consolidated Loss Before Tax						(721)
ASSETS						
Segment Assets	84,897	246,400	162,611	-	(141,271)	352,637
LIABILITIES						
Segment Liabilities	79,646	226,817	41,200	-	(131,624)	216,039
OTHER INFORMATION						
Capital Expenditure	-	29	-	-	-	29
Depreciation	15	124	74	-	-	213
Other Non-Cash Expenses	80	-	-	-	-	80

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	23	-	-	-	-	23



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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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Malaysia	13,806	17,659	352,637	313,994	47	55
Other Asian Countries	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	13,806	17,659	352,637	313,994	47	55

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

- (a) On 6 October 2020 there are total of 14,000 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 140,000 ICPS to 14,000 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.
- (b) On 15 October 2020, 20 October 2020, 21 October 2020, 23 October 2020, 28 October 2020, 30 October 2020 and 2 November 2020, the Company allotted and issued a total of 45,550,000 subscription of new ordinary shares at an issue price of RM 0.226 - RM0.24 to Macquarie Bank.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 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 18 November 2020, being the last practicable date from the date of issue of this quarterly report that are expected to have an operational or financial impact on the Group.

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

	Company	
	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
Corporate guarantees extended:		
- to financial institutions for credit facilities granted to subsidiaries	66,015	60,610
	66,015	60,610

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

13. Capital Commitments

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

14. Significant Inter Company and Related Party Transactions

	Group	
	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 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	13,286	21,023
Marketing fee to a company which has substantial financial interest and is connected to a director of the company	1,948	363
	1,948	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	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	13,806	17,659	45,741	60,594
(Loss)/Profit before tax	(721)	2,752	(929)	7,757

The revenue and incurrence of loss before tax in the current quarter and cumulative period reflected substantially lower sales and progress revenue recognised across Group’s existing on-going projects as a result of the Coronavirus Disease 2019 (“COVID-19”) outbreak.

Further Analysis by Segments

Property Development Segment

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

Construction Segment

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

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

	Individual Quarter	
	30.09.2020	31.06.2020
	RM'000	RM'000
Revenue	13,806	3,921
(Loss)/Profit before tax	(721)	(2,019)

The Group recorded loss before tax of RM 0.72 million for the current quarter as compared to loss before tax of RM 2.0 million in the immediate preceding quarter, both as a result of the continuing proliferation of COVID-19. With the gradual easing of lockdown measures, the Group’s revenue grew significantly from RM3.9 million in the immediate preceding quarter to RM13.8 million in the current quarter.

The sales for Isola at KLCC and The Mate at Damansara Jaya have shown promising take-up momentum in current quarter while PRIYA Scheme Kuantan is almost sold-out.

The overall construction works at our project sites have progressed slower than expected due to the continuing restrictive measures to contain the COVID-19 situation and longer time than expected to regain construction momentum despite work resumption since June 2020.



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PART B

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

2. Comments on Material Changes in the Profit Before Tax for the Quarter Reported as Compared with the Preceding Quarter (Cont'd)

The management will continue to monitor the COVID-19 development and evaluate its impact on the financial position and operating results of the Group.

3. Current Year Prospects

As at 30 September 2020, the Group's unbilled sales and construction orderbook stands at RM237.6 million and RM124.1 million respectively. This is mainly contributed by its development projects, namely Isola at KLCC, PRIYA Scheme Kuantan and The Mate at Damansara Jaya, and its construction work for YOLO Signature Suites.

Overall sales have improved since the easing of lockdown measures. However, the Group is cautiously optimistic on the conduct of sales activities for the remaining quarter following the re-imposition of the Conditional Movement Control Order ("CMCO") in Klang Valley and across other states. In terms of construction works, our project sites have gradually regained momentum. While we remain concern that any further disruptions will jeopardize site progresses and billings, the Group remains committed in ensuring timely delivery of our developments and construction work.

For our project management consultation business, the Group via its associated company's subsidiary – Taraf Raya Sdn Bhd, is still in the midst of negotiation with Malaysia Rail Link Sdn Bhd and China Communications Construction (ECRL) Sdn Bhd on the potential collaboration on the implementation of the East Coast Rail Link project in the State of Pahang.

Moving forward, the Group will continue to place our emphasis on optimizing existing operations to manage risks and cashflows whilst remaining vigilant on the market conditions to ensure good take-ups for any new launches. We are also open to potential opportunities across its property development, construction and project management consultation businesses despite the challenging sentiment.

4. Variances Between Actual Profit and Forecast Profit

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

5. Income Tax Expense

	Group	
	Current	Preceding
	Year to date	Year to date
	30.09.2020	30.09.2019
	RM'000	RM'000
Income tax	504	2,596
Deferred tax	(48)	(1,164)
Income tax expenses	456	1,432
Effective tax rate	49%	18%



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PART B

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

5. Income Tax Expense (Cont'd)

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

6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 November 2020, being the last practicable date from the date of the issue of this report.

7. Borrowings and Debt Securities

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

	As at 30.09.2020 RM'000
Secured:	
Current liabilities	
- Bank overdrafts	11,736
- Revolving credit	15,000
- Term loan	7,112
- Trust receipt	5,969
	<hr/> 39,817
Non-current liabilities	
- Term loan	47,591
	<hr/> 47,591
Unsecured:	
Current liabilities	
- Lease liabilities	85
	<hr/> 85
Non-current liabilities	
- Lease liabilities	476
	<hr/> 476
Total Borrowings	<hr/> 87,969 <hr/>

The portion of borrowings that is repayable within one year is included in current liabilities. Whereas, the portion that is repayable after the next 12 months is included in long-term liabilities.



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PART B

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

7. Borrowings and Debt Securities (Cont'd)

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

	As at
	30.09.2020
	RM'000
Ringgit Malaysia	87,969

8. Material Litigation

Since the date of the last annual statement of financial position, there was no pending material litigation as at 18 November 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 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.



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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.

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. (Loss)/Earnings Per Share

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year Period 30.09.2019 RM'000
(a) Basic (loss)/earnings per share				
Net (loss)/profit for the period	(948)	1,976	(1,467)	6,461
Weighted average number of ordinary shares issued ('000)	330,809	292,465	330,809	292,465
Effects of: -				
- Private placement ('000)	9,986	29,239	9,986	29,239
- ICPS ('000)	9,657	2,313	9,657	2,313
- Warrant D ('000)	1,303	1	1,303	1
Weighted average number of ordinary shares in issue ('000)	351,755	324,018	351,755	324,018
Basic (loss)/earnings per share (sen)	(0.27)	0.61	(0.42)	1.99
(b) Diluted (loss)/earnings per share				
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.9.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year Period 30.09.2019 RM'000
Net (loss)/profit for the period	(948)	1,976	(1,467)	6,461
Weighted average number of ordinary shares in issue ('000)	351,755	324,018	351,755	324,018
- Adjustments for assumed conversion of ICPS ('000)	47,207	62,062	47,207	62,062
- Adjustment for assumed conversion of Warrant D ('000)	17,126	13,910	17,126	13,910
- Adjustment for assumed conversion of share options ('000)	1,046	-	1,046	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	417,134	399,990	417,134	399,990
Diluted (loss)/earnings per share (sen)	(0.23)	0.49	(0.35)	1.62



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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 30.09.2020 RM'000	Current Year to date 30.09.2020 RM'000
Interest income	(136)	(647)
Interest expense	680	1,184
Depreciation	213	647
Rental expenses	131	355
Rental income	(12)	(41)

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
24 November 2020