

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 JUNE 2017**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | <b>CURRENT<br/>QUARTER<br/>ENDED<br/>30-Jun-17<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>QUARTER ENDED<br/>30-Jun-16<br/>RM'000</b> | <b>CURRENT<br/>YEAR TO<br/>DATE ENDED<br/>30-Jun-17<br/>RM'000</b> | <b>PRECEDING<br/>YEAR TO<br/>DATE ENDED<br/>30-Jun-16<br/>RM'000</b> |
|---|---|--|--|--|
| Revenue   | 119,264   | 114,011  | 225,783  | 192,454  |
| Cost of sales                                       | (88,881)  | (92,093)   | (169,776)  | (154,965)  |
| Gross profit  | 30,383  | 21,918   | 56,007   | 37,489   |
| Other income  | 630   | 1,137  | 1,475  | 2,470  |
| Administrative expenses                             | (13,655)  | (11,586)   | (27,020)   | (20,962)   |
| Operating profit                                    | 17,358  | 11,469   | 30,462   | 18,997   |
| Finance costs                                       | (5,908)   | (2,049)  | (9,916)  | (3,837)  |
| Share of results of associates                      | -   | -  | -  | -  |
| Profit before tax                                   | 11,450  | 9,420  | 20,546   | 15,160   |
| Taxation  | (3,382)   | (2,812)  | (5,773)  | (4,016)  |
| Profit for the financial period                     | 8,068   | 6,608  | 14,773   | 11,144   |
| Other comprehensive income, net of tax:             |   |  |  |  |
| Foreign currency translation                        | (680)   | 841  | (345)  | (64)   |
| Total comprehensive income for the financial period | 7,388   | 7,449  | 14,428   | 11,080   |
| Profit attributable to:                             |   |  |  |  |
| Owners of the Company                               | 5,982   | 5,457  | 10,705   | 9,167  |
| Non-controlling interests                           | 2,086   | 1,151  | 4,068  | 1,977  |
|   | 8,068   | 6,608  | 14,773   | 11,144   |
| Total comprehensive income attributable to:         |   |  |  |  |
| Owners of the Company                               | 5,252   | 6,298  | 10,310   | 9,103  |
| Non-controlling interests                           | 2,136   | 1,151  | 4,118  | 1,977  |
|   | 7,388   | 7,449  | 14,428   | 11,080   |

**Note:**

The Condensed Consolidated Statement of Comprehensive Income for the second quarter ended 30 June 2017 should be read in conjunction with the Audited Financial Statements for the financial year ended (“FYE”) 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**OCK GROUP BERHAD (Company No: 955915 – M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

|   | <b>UNAUDITED<br/>As at<br/>30-Jun-17<br/>RM'000</b> | <b>AUDITED<br/>As at<br/>31-Dec-16<br/>RM'000</b> |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| <b>Non-Current Assets</b>                                       |   |   |
| Property, plant and equipment                                   | 318,938   | 268,548   |
| Investment properties   | 16,525  | 14,500  |
| Deferred tax assets   | 201   | 173   |
| Intangible assets   | 178,011   | 21,944  |
| Trade receivables   | 11,267  | 19,790  |
|   | <b>524,942</b>                                      | <b>324,955</b>                                    |
| <b>Current Assets</b>   |   |   |
| Inventories   | 108,339   | 50,368  |
| Amount due from contract customers                              | 11,202  | 13,870  |
| Other Investments   | 244   | 226   |
| Trade and other receivables                                     | 291,433   | 292,231   |
| Tax recoverable   | 2,684   | 1,681   |
| Derivative financial assets                                     | 195   | 195   |
| Fixed deposits placed with licensed banks                       | 22,379  | 14,430  |
| Cash and bank balances  | 57,284  | 114,854   |
|   | <b>493,760</b>                                      | <b>487,855</b>                                    |
| <b>TOTAL ASSETS</b>   | <b>1,018,702</b>                                    | <b>812,810</b>                                    |
| <b>EQUITY AND LIABILITIES</b>                                   |   |   |
| <b>Equity attributable to owners of the Company</b>             |   |   |
| Share capital   | 87,154  | 87,147  |
| Share premium   | 157,151   | 157,151   |
| Warrant reserve   | 84,134  | 84,136  |
| Revaluation reserve   | 4,405   | 4,405   |
| Foreign currency translation reserve                            | (1,982)   | (1,587)   |
| Reserve arising from reverse acquisition                        | (17,007)  | (17,007)  |
| Capital reserve   | 208   | -   |
| Retained earnings   | 110,924   | 100,619   |
|   | 424,987   | 414,864   |
| Non-controlling interests                                       | 55,359  | 49,038  |
| <b>Total Equity</b>   | <b>480,346</b>                                      | <b>463,902</b>                                    |
| <b>Non-Current Liabilities</b>                                  |   |   |
| Loan and borrowings   | 152,835   | 65,214  |
| Deferred tax liabilities  | 8,189   | 8,189   |
| Trade payables  | 11,272  | 19,795  |
| Post employment benefit liabilities                             | 315   | 325   |
|   | <b>172,611</b>                                      | <b>93,523</b>                                     |
| <b>Current Liabilities</b>                                      |   |   |
| Amount due to contract customers                                | 9   | 637   |
| Trade and other payables  | 137,899   | 168,430   |
| Loan and borrowings   | 223,317   | 81,843  |
| Tax payables  | 4,520   | 4,475   |
|   | <b>365,745</b>                                      | <b>255,385</b>                                    |
| <b>TOTAL LIABILITIES</b>  | <b>538,356</b>                                      | <b>348,908</b>                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>1,018,702</b>                                    | <b>812,810</b>                                    |
| Net assets per share attributable to owners of the Company (RM) | <b>0.49</b>   | <b>0.48</b>                                       |

**OCK GROUP BERHAD (Company No: 955915 – M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017  
(CONT'D)**

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**OOCK GROUP BERHAD (Company No: 955915 – M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2017**

|  | ← Attributable to owners of the Company → |               |                 |                                   |                             |                 |                   |         |                           |              |
|--|---|---------------|-----------------|-----------------------------------|-----------------------------|-----------------|-------------------|---------|---------------------------|--------------|
|  | Non-distributable                         |               |                 |                                   |                             | Distributable   |                   | Total   | Non-Controlling Interests | Total Equity |
|  | Share Capital                             | Share Premium | Warrant Reserve | Translation / Revaluation Reserve | Reverse Acquisition Reserve | Capital Reserve | Retained Earnings |         |                           |              |
| RM'000   | RM'000                                    | RM'000        | RM'000          | RM'000                            | RM'000                      | RM'000          | RM'000            | RM'000  | RM'000                    |              |
| <b>At 1 January 2017</b>                                   | 87,147                                    | 157,151       | 84,136          | 2,818                             | (17,007)                    | -               | 100,619           | 414,864 | 49,038                    | 463,902      |
| <b>Acquisition of a subsidiary</b>                         | -   | -             | -               | -                                 | -                           | -               | -                 | -       | 40                        | 40           |
| <b>Subscription of shares by NCI in a subsidiary</b>       | -   | -             | -               | -                                 | -                           | -               | -                 | -       | 1,971                     | 1,971        |
| <b>Bonus Issue in a subsidiary</b>                         | -   | -             | -               | -                                 | -                           | 208             | (400)             | (192)   | 192                       | -            |
| <b>Exercise of Warrants</b>                                | 7   | -             | (2)             | -                                 | -                           | -               | -                 | 5       | -                         | 5            |
| <b>Foreign currency translation</b>                        | -   | -             | -               | (395)                             | -                           | -               | -                 | (395)   | 50                        | (345)        |
| <b>Total comprehensive income for the financial period</b> | -   | -             | -               | -                                 | -                           | -               | 10,705            | 10,705  | 4,068                     | 14,773       |
| <b>At 30 June 2017</b>                                     | 87,154                                    | 157,151       | 84,134          | 2,423                             | (17,007)                    | 208             | 110,924           | 424,987 | 55,359                    | 480,346      |
| <b>At 1 January 2016</b>                                   | 79,224                                    | 102,869       | 84,136          | 4,971                             | (17,007)                    | -               | 78,693            | 332,886 | 10,370                    | 343,256      |
| <b>Dividend paid</b>                                       | -   | -             | -               | -                                 | -                           | -               | (5,556)           | (5,556) | -                         | (5,556)      |
| <b>Share issuance expenses</b>                             | -   | (291)         | -               | -                                 | -                           | -               | -                 | (291)   | -                         | (291)        |
| <b>Foreign currency translation</b>                        | -   | -             | -               | (64)                              | -                           | -               | -                 | (64)    | -                         | (64)         |
| <b>Total comprehensive income for the financial period</b> | -   | -             | -               | -                                 | -                           | -               | 9,167             | 9,167   | 1,977                     | 11,144       |
| <b>At 30 June 2016</b>                                     | 79,224                                    | 102,578       | 84,136          | 4,907                             | (17,007)                    | -               | 82,304            | 336,142 | 12,347                    | 348,489      |

**Note:**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017

|  | Current Year<br>To Date Ended<br>30-Jun-17<br>RM'000 | Preceding Year<br>To Date Ended<br>30-Jun-16<br>RM'000 |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |  |
| Profit before taxation   | 20,546   | 15,160   |
| Adjustments for:   |  |  |
| Depreciation   | 15,391   | 4,835  |
| Amortisation of intangibles  | 922  | 757  |
| Interest expenses  | 9,916  | 3,837  |
| Interest income  | (220)  | (1,293)  |
|  | <u>46,555</u>  | <u>23,296</u>  |
| Changes in working capital:  |  |  |
| Inventories  | (57,915)   | (16,609)   |
| Receivables  | 27,590   | (42,473)   |
| Payables   | (43,035)   | 9,289  |
|  | <u>(26,805)</u>                                      | <u>(26,497)</u>  |
| Tax paid   | (7,873)  | (3,512)  |
| Interests received   | 220  | 1,293  |
| <b>Net cash flows used in operating activities</b>                                   | <u>(34,458)</u>                                      | <u>(28,716)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |  |
| Acquisition of a subsidiary  | (216,510)  | -  |
| Change in pledged deposits   | 817  | -  |
| Purchase of property, plant and equipment<br>and investment properties               | (19,435)   | (11,264)   |
| Other investments  | (18)   | -  |
| <b>Net cash flows used in investing activities</b>                                   | <u>(235,146)</u>                                     | <u>(11,264)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |  |  |
| Interests paid   | (9,916)  | (3,837)  |
| Net drawdown of borrowings   | 238,780  | 6,523  |
| Share issuance expenses  | -  | (291)  |
| Proceeds from exercise of warrants   | 5  | -  |
| Subscription of shares by non-controlling<br>interests in a subsidiary               | 1,971  | -  |
| Dividends paid to:   |  |  |
| - owners of the Company  | -  | (5,556)  |
| <b>Net cash flows from / (used in) financing activities</b>                          | <u>230,840</u>                                       | <u>(3,161)</u>   |
| Net change in cash and cash equivalents  | (38,764)   | (43,141)   |
| Effects of exchange rate changes   | (355)  | (64)   |
| Cash and cash equivalents:   |  |  |
| At the beginning of the financial period   | <u>84,825</u>  | <u>149,805</u>   |
| At the end of the financial period   | <u>45,706</u>  | <u>106,600</u>   |
| Cash and cash equivalents at the end of the financial period comprise the following: |  |  |
| Cash and bank balances   | 57,284   | 104,603  |
| Fixed deposits   | 22,379   | 16,014   |
| Bank overdraft   | (22,971)   | -  |
|  | <u>56,692</u>  | <u>120,617</u>   |
| Less: Fixed deposits pledged with licensed banks                                     | (10,986)   | (14,017)   |
|  | <u>45,706</u>  | <u>106,600</u>   |

**OCK GROUP BERHAD (Company No: 955915 – M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED  
30 JUNE 2017 (CONT'D)**

Note:

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with Audited Financial Statements for the FYE 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 JUNE 2017**

**A. NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS 134):**

**A1. Basis of Preparation**

These condensed consolidated interim financial statements (“interim financial report”) have 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 interim financial statements should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

The significant accounting policies and methods adopted for the audited condensed financial statements are consistent with those adopted for the audited financial statements for the FYE 31 December 2016.

**A2. Summary of Significant Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the FYE 31 December 2016 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after 1 January 2017.

Amendments/Improvements to MFRSs:

|          |   |
|----------|---|
| MFRS 12  | Disclosure of Interests in Other Entities |
| MFRS 107 | Statement of Cash Flows                   |
| MFRS 112 | Income Taxes                              |

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

**A3. Auditors’ Report**

There was no qualification on the audited financial statements of the Company and its subsidiary companies for the FYE 31 December 2016.

**A4. Comments about Seasonal or Cyclical Factors**

The Group's businesses did not experience significant fluctuations due to seasonal or cyclical factors during the current quarter under review.

**A5. Items of Unusual Nature and Amount**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

**A6. Material Changes in Estimates**

There were no changes in the estimates of amounts reported in prior year that had a material effect in the current quarter under review.

**A7. Issuances, Cancellations, Repurchase, Resale and Repayments of Debts and Equity Securities**

Other than as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

For the period ended 30 June 2017, 7,500 units of warrants were exercised at the exercise price of RM0.71 for each warrant. As at 30 June 2017, the number of warrants remained unexercised are 264,072,954.

**A8. Dividends Paid**

There is no dividend paid in the current quarter under review.

**OCK GROUP BERHAD (Company No: 955915 – M)**

**A9. Segmental Information**

The segmental results of the Group for the FPE 30 June 2017 based on segment activities are as follows:

| <b>Cumulative Quarter<br/>30 June 2017</b> | <b>Telecommunication<br/>Network<br/>Services<br/>RM'000</b> | <b>Green Energy and<br/>Power Solution<br/>RM'000</b> | <b>Trading<br/>RM'000</b> | <b>M&amp;E<br/>Engineering<br/>Services<br/>RM'000</b> | <b>Investment<br/>Holding<br/>Company<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|--|--|---|---------------------------|--|--|-------------------------------|-------------------------|
| Revenue from External customers            | 195,499  | 21,862  | 2,939                     | 5,483  | -  | -                             | 225,783                 |
| Inter-segment revenue                      | 18,253   | 10  | 1,538                     | 4,658  | -  | (24,459)                      | -                       |
| <b>Total Revenue</b>                       | <b>213,752</b>   | <b>21,872</b>   | <b>4,477</b>              | <b>10,141</b>  | <b>-</b>   | <b>(24,459)</b>               | <b>225,783</b>          |
| Profit before tax                          | 18,566   | 2,823   | 798                       | 187  | (785)  | (1,043)                       | 20,546                  |
| Taxation                                   | (4,095)  | (634)   | (202)                     | (25)   | (817)  | -                             | (5,773)                 |
| <b>Profit for the financial period</b>     | <b>14,471</b>  | <b>2,189</b>  | <b>596</b>                | <b>162</b>   | <b>(1,602)</b>                                       | <b>(1,043)</b>                | <b>14,773</b>           |

| <b>Cumulative Quarter<br/>30 June 2016</b> | <b>Telecommunication<br/>Network<br/>Services<br/>RM'000</b> | <b>Green Energy and<br/>Power Solution<br/>RM'000</b> | <b>Trading<br/>RM'000</b> | <b>M&amp;E<br/>Engineering<br/>Services<br/>RM'000</b> | <b>Investment<br/>Holding<br/>Company<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|--|--|---|---------------------------|--|--|-------------------------------|-------------------------|
| Revenue from External customers            | 155,506  | 18,715  | 4,301                     | 13,932   | -  | -                             | 192,454                 |
| Inter-segment revenue                      | 6,801  | -   | 4,377                     | 411  | -  | (11,589)                      | -                       |
| <b>Total Revenue</b>                       | <b>162,307</b>   | <b>18,715</b>   | <b>8,678</b>              | <b>14,343</b>  | <b>-</b>   | <b>(11,589)</b>               | <b>192,454</b>          |
| Profit before tax                          | 13,690   | 1,107   | 1,597                     | 569  | (98)   | (1,705)                       | 15,160                  |
| Taxation                                   | (3,230)  | (266)   | (383)                     | (137)  | -  | -                             | (4,016)                 |
| <b>Profit for the financial period</b>     | <b>10,460</b>  | <b>841</b>  | <b>1,214</b>              | <b>432</b>   | <b>(98)</b>  | <b>(1,705)</b>                | <b>11,144</b>           |

**A9. Segmental Information (Cont'd)**

The segmental results of the Group for the FPE 30 June 2017 based on geographical segment are as follows:

| <b>Cumulative Quarter<br/>30 June 2017</b> | <b>Malaysia<br/>RM'000</b> | <b>Regional<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|--|----------------------------|----------------------------|-------------------------------|-------------------------|
| Revenue from External customers            | 145,022                    | 80,761                     |                               | 225,783                 |
| Inter-segment revenue                      | 23,860                     | 599                        | (24,459)                      | -                       |
| <b>Total Revenue</b>                       | <b>168,882</b>             | <b>81,360</b>              | <b>(24,459)</b>               | <b>225,783</b>          |
| Profit before tax                          | 10,474                     | 11,115                     | (1,043)                       | 20,546                  |
| Taxation                                   | (3,204)                    | (2,569)                    | -                             | (5,773)                 |
| <b>Profit for the financial period</b>     | <b>7,270</b>               | <b>8,546</b>               | <b>(1,043)</b>                | <b>14,773</b>           |

| <b>Cumulative Quarter<br/>30 June 2016</b> | <b>Malaysia<br/>RM'000</b> | <b>Regional<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|--|----------------------------|----------------------------|-------------------------------|-------------------------|
| Revenue from External customers            | 158,751                    | 33,703                     |                               | 192,454                 |
| Inter-segment revenue                      | 11,589                     | -                          | (11,589)                      | -                       |
| <b>Total Revenue</b>                       | <b>170,340</b>             | <b>33,703</b>              | <b>(11,589)</b>               | <b>192,454</b>          |
| Profit before tax                          | 13,975                     | 2,890                      | (1,705)                       | 15,160                  |
| Taxation                                   | (3,139)                    | (877)                      | -                             | (4,016)                 |
| <b>Profit for the financial period</b>     | <b>10,836</b>              | <b>2,013</b>               | <b>(1,705)</b>                | <b>11,144</b>           |

**A10. Valuation of property, plant and equipment**

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

**A11. Capital Commitments**

As at 30 June 2017, the capital commitments are as follows:

|   | <b>UNAUDITED<br/>as at<br/>30-Jun-17<br/>RM'000</b> | <b>UNAUDITED<br/>as at<br/>30-Jun-16<br/>RM'000</b> |
|---|---|---|
| Capital expenditure approved and contracted for | 89,202  | 275,342   |

**A12. Material subsequent event**

There are no material events subsequent to the end of the current financial quarter under review.

**A13. Changes in the Composition of the Group**

Other than as disclosed below, there are no changes in the composition of the Group in current quarter under review.

(a) There was an internal re-organisation of the subsidiaries in the Group in order to streamline the tower leasing business under the Company's wholly-owned subsidiary, OCK Sea Towers Pte Ltd ("OST"). The details are as follows:

- (i) On 15 March 2017, the Company's wholly-owned subsidiary, OCK International Sdn Bhd, had transferred 2 shares of RM1 each, representing its entire holding in OCK Tower Infra Sdn Bhd to OST.
- (ii) On 23 March 2017, OST had completed the establishment of OCK Myanmar Holdings Pte Ltd ("OMH") in The Republic of Singapore, as a wholly-owned subsidiary, with a registered capital of USD1 divided into 1 share of USD1 each. The principal activity of OMH is mobile cellular and other wireless telecommunications network operation, and wired telecommunications network operation (including fixed-line, fibre optics, local/international public switched telephone network ("PSTN") and leased circuits).
- (iii) On 19 July 2017, OST had transferred 1 share of USD1 each, representing its entire holding in OCK Myanmar Towers Pte Ltd ("OMT") to OMH.
- (iv) On 25 August 2017, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn Bhd, had transferred 16,047,989 shares of MMK1,000 each, representing its entire holding in OCK Yangon Pte Ltd to OMT.

(b) On 23 August 2017, the Company's wholly-owned subsidiary, Milab Marketing Sdn Bhd, had completed the acquisition of 25,500 ordinary shares in Seri Kuasa Sdn Bhd ("Seri Kuasa") representing 51% equity interest in Seri Kuasa for a cash consideration of RM25,500. Seri Kuasa was incorporated on 18 September 2013 with a paid-up share capital of RM50,000 and the intended business is to deal with power generation. Seri Kuasa is currently dormant.

## OCK GROUP BERHAD (Company No: 955915 – M)

### A14. Contingent Liabilities and Contingent Assets

As at 30 June 2017, the contingent liabilities are as follows:

|   | UNAUDITED<br>as at<br>30-Jun-17<br>RM'000 | UNAUDITED<br>as at<br>30-Jun-16<br>RM'000 |
|---|---|---|
| Financial guarantees given by OCK Group Berhad to licensed banks for facilities granted to subsidiaries | 374,581                                   | 374,651                                   |
| Financial guarantees given to a third party for the sales of goods to a subsidiary                      | 32,873                                    | 42,521                                    |
|   | <u>32,873</u>                             | <u>42,521</u>                             |

### A15. Significant Related Party Transaction

Save as disclosed below, there was no other significant related party transactions for the current quarter under review:

| Nature of Transactions | UNAUDITED<br>as at<br>30-Jun-17<br>RM'000 | UNAUDITED<br>as at<br>30-Jun-16<br>RM'000 |
|------------------------|---|---|
| Sales                  | (5,955)                                   | (6,770)                                   |
|                        | <u>(5,955)</u>                            | <u>(6,770)</u>                            |

All the above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the ordinary course of business of the Group.

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of Performance**

| Individual Quarter  | Telecommunication<br>Network<br>Services<br>RM'000 | Green Energy and<br>Power Solution<br>RM'000 | Trading<br>RM'000 | M&E<br>Engineering<br>Services<br>RM'000 | Investment<br>Holding<br>Company<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|---------------------|--|--|-------------------|--|--|-----------------------|-----------------|
| <b>30 June 2017</b> |  |  |                   |  |  |                       |                 |
| Total Revenue       | 110,096  | 12,275                                       | 2,299             | 4,949                                    | -  | (10,355)              | 119,264         |
| Profit before tax   | 9,865  | 1,481  | 453               | 20                                       | 144  | (513)                 | 11,450          |

| Individual Quarter  | Telecommunication<br>Network<br>Services<br>RM'000 | Green Energy and<br>Power Solution<br>RM'000 | Trading<br>RM'000 | M&E<br>Engineering<br>Services<br>RM'000 | Investment<br>Holding<br>Company<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|---------------------|--|--|-------------------|--|--|-----------------------|-----------------|
| <b>30 June 2016</b> |  |  |                   |  |  |                       |                 |
| Total Revenue       | 97,292   | 8,290  | 4,760             | 8,699                                    | -  | (5,030)               | 114,011         |
| Profit before tax   | 8,321  | 575  | 1,179             | 410                                      | 261  | (1,326)               | 9,420           |

| Cumulative Quarter  | Telecommunication<br>Network<br>Services<br>RM'000 | Green Energy and<br>Power Solution<br>RM'000 | Trading<br>RM'000 | M&E<br>Engineering<br>Services<br>RM'000 | Investment<br>Holding<br>Company<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|---------------------|--|--|-------------------|--|--|-----------------------|-----------------|
| <b>30 June 2017</b> |  |  |                   |  |  |                       |                 |
| Total Revenue       | 213,752  | 21,872                                       | 4,477             | 10,141                                   | -  | (24,459)              | 225,783         |
| Profit before tax   | 18,566   | 2,823  | 798               | 187                                      | (785)                                      | (1,043)               | 20,546          |

| Cumulative Quarter  | Telecommunication<br>Network<br>Services<br>RM'000 | Green Energy and<br>Power Solution<br>RM'000 | Trading<br>RM'000 | M&E<br>Engineering<br>Services<br>RM'000 | Investment<br>Holding<br>Company<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|---------------------|--|--|-------------------|--|--|-----------------------|-----------------|
| <b>30 June 2016</b> |  |  |                   |  |  |                       |                 |
| Total Revenue       | 162,307  | 18,715                                       | 8,678             | 14,343                                   | -  | (11,589)              | 192,454         |
| Profit before tax   | 13,690   | 1,107  | 1,597             | 569                                      | (98)                                       | (1,705)               | 15,160          |

For the current quarter and cumulative quarter ended 30 June 2017, the Group reported a higher revenue as compared to the corresponding quarter and cumulative quarter of previous year, mainly due to higher revenue contribution from telecommunication network services (“TNS”). The higher revenue is mainly due to contribution of lease revenue from the newly completed sites in the Myanmar, and the new towers acquired via the acquisition of Southeast Asia Telecommunications Holdings Pte Limited (“SEATH”) at the beginning of the financial year.

Consequently, the higher Group revenue resulted in a higher Group PBT for the quarter and cumulative quarter under review as compared to the previous year corresponding quarter and cumulative quarter.

**B2. Material Changes in the Current Quarter’s results compared to the results of the immediate Preceding Quarter**

| Individual Quarter | Telecommunication<br>Network<br>Services | Green Energy and<br>Power Solution | Trading | M&E<br>Engineering<br>Services | Investment<br>Holding<br>Company | Elimination | Group   |
|--------------------|--|------------------------------------|---------|--------------------------------|----------------------------------|-------------|---------|
| 30 June 2017       | RM'000                                   | RM'000                             | RM'000  | RM'000                         | RM'000                           | RM'000      | RM'000  |
| Total Revenue      | 110,096                                  | 12,275                             | 2,299   | 4,949                          | -                                | (10,355)    | 119,264 |
| Profit before tax  | 9,865                                    | 1,481                              | 453     | 20                             | 144                              | (513)       | 11,450  |

| Individual Quarter | Telecommunication<br>Network<br>Services | Green Energy and<br>Power Solution | Trading | M&E<br>Engineering<br>Services | Investment<br>Holding<br>Company | Elimination | Group   |
|--------------------|--|------------------------------------|---------|--------------------------------|----------------------------------|-------------|---------|
| 31 March 2017      | RM'000                                   | RM'000                             | RM'000  | RM'000                         | RM'000                           | RM'000      | RM'000  |
| Total Revenue      | 103,656                                  | 9,597                              | 2,179   | 5,192                          | -                                | (14,104)    | 106,520 |
| Profit before tax  | 8,701                                    | 1,342                              | 345     | 167                            | (930)                            | (529)       | 9,096   |

*Note: The comparative figures of the preceding quarter have been restated to conform with the presentation in the current quarter.*

The total revenue of RM119.3 million recorded for the current quarter was higher as compared to the revenue in the preceding quarter of RM106.5 million mainly due to higher revenue contribution from TNS in current quarter, following the acquisition of SEATH at the beginning of the financial year.

Consequently, the higher Group revenue resulted in a higher Group PBT for the quarter under review as compared to previous quarter.

**B3. Prospects**

Major telecommunications companies (“telcos”) have been investing in upgrading their equipment and infrastructures to accommodate the growth in data by expanding their LTE (Long Term Evolution) coverage in Malaysia. The Group is expected to benefit from the increase projects coming out from the networks expansion undertaken by these telcos.

The Group aims to grow its recurring revenue business via build-own-and-lease and acquiring existing tower sites operators in ASEAN. This can be achieved by leveraging on the Group’s established presence in ASEAN and its vast experiences in building telecommunication infrastructures such as tower sites and maintenance of telecommunication infrastructure. The build-own-and-lease business model is based on building, owning and leasing back the tower sites to telecommunication operators over a long-term period. In line with this, the Group is continuing its works for the rollout of towers in Myanmar for Telenor.

In addition, in 2017, the Group has also expanded its tower leasing business to other telco operators. In April 2017, the Group has secured a new co-location (i.e. second tenant) agreement with the largest telco operator, Myanma Posts and Telecommunications (“MPT”), which is Myanmar’s state-own telco.

**B3. Prospects (Cont'd)**

The Group's plan to grow its business in Myanmar is further strengthened by its new leasing agreement for new-built and co-location with a new telco operator who has just entered Myanmar, Mytel. Mytel is a joint venture company between Viettel (the largest telco from Vietnam) and a local consortium of Myanmar National Telecom Holding Public and Star High Public Company.

In Vietnam, the Group has completed the acquisition of 60% of SEATH, which owned 1,983 towers, on 13 January 2017. Vietnam's mobile market will be an exciting business space moving forward as the telco operators are gearing up for their 4G LTE roll-out in the near future, and the Group foresees that the tower business in Vietnam also will grow in-line with this trend.

With the Group's continuous investment to grow its regional business, the Group expects significant contribution from its overseas business in Indonesia, Myanmar and Vietnam moving forward.

Apart from focusing on the Group's telecommunication business, the Group is also sourcing for more business and/or investment opportunities in the sustainable energy sector.

Based on the current industry outlook and the plans as indicated above, the Board of Directors is of the opinion that the business and performance of the Group are expected to remain positive for the FYE 31 December 2017.

**B4. Profit forecast**

No profit forecast has been issued by the Group previously in any public document.

**B5. Taxation**

|                         | Quarter Ended |              | Year-To-Date Ended |              |
|-------------------------|---------------|--------------|--------------------|--------------|
|                         | 30-Jun-17     | 30-Jun-16    | 30-Jun-17          | 30-Jun-16    |
|                         | RM'000        | RM'000       | RM'000             | RM'000       |
| Taxation for the period | 3,332         | 2,817        | 5,766              | 4,014        |
| Deferred Tax            | 50            | (5)          | 7                  | 2            |
| Total taxation          | <u>3,382</u>  | <u>2,812</u> | <u>5,773</u>       | <u>4,016</u> |

The Group's effective tax rate for the current quarter and financial year-to-date is higher than statutory tax rate of 24%, mainly due to tax effects of non-deductible expenses.

**B6. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at the date of this announcement.

**B7. Utilisation of Proceeds Arising from Corporate Exercises**

The gross proceeds of RM132.04 million from the Right Issues exercise which was completed on 22 December 2015 were utilised in the following manner:

| Purposes             |   | Proposed Utilisation<br>RM'000 | Actual Utilisation<br>As at 30.06.2017<br>RM'000 | Balance Utilisation<br>% | Reason for Deviation |
|----------------------|---|--------------------------------|--|--------------------------|----------------------|
| (i)                  | Business Expansion                                  | 115,000                        | 115,000  | 0.0%                     |                      |
| (ii)                 | General working capital                             | 14,690                         | 14,690   | 0.0%                     |                      |
| (iii)                | Estimated expenses in relation to the Rights Issues | 2,350                          | 1,887  | 19.7%                    | (1)                  |
| Total gross proceeds |   | 132,040                        | 131,577  | 0.4%                     |                      |

Note:

(1) The approved timeframe for utilisation is within twenty-four (24) months from the date of completion, i.e. by 21 December 2017.

**B8. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2017 are as follows:

|                         | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|-------------------------|-------------------|---------------------|-----------------|
| Long term borrowings:-  |                   |                     |                 |
| Hire purchase           | 16,070            | -                   | 16,070          |
| Term loans              | 136,765           | -                   | 136,765         |
|                         | <u>152,835</u>    | <u>-</u>            | <u>152,835</u>  |
| Short term borrowings:- |                   |                     |                 |
| Overdraft               | 22,971            | -                   | 22,971          |
| Bankers' acceptance     | 12,192            | -                   | 12,192          |
| Bonds                   | -                 | 1,571               | 1,571           |
| Revolving project loan  | 30,211            | -                   | 30,211          |
| Hire purchase payables  | 6,748             | -                   | 6,748           |
| Term loans              | 149,624           | -                   | 149,624         |
|                         | <u>221,746</u>    | <u>1,571</u>        | <u>223,317</u>  |

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM259.1 million and RM4.2 million which are denominated in USD and IDR, respectively.

**B9. Material Litigation**

Since the preceding FYE 31 December 2016, there is no change in material litigation as at the date of this announcement.

**OCK GROUP BERHAD (Company No: 955915 – M)**

**B10. Retained and Unrealised Profits/Losses**

|  | UNAUDITED<br>as at<br>30-Jun-17<br>RM'000 | UNAUDITED<br>as at<br>30-Jun-16<br>RM'000 |
|--|---|---|
| Total retained earnings of the Company and its subsidiaries: |   |   |
| - Realised   | 111,160                                   | 82,786                                    |
| - Unrealised   | (236)                                     | (482)                                     |
| Total Group retained earnings as per consolidated accounts   | 110,924                                   | 82,304                                    |

**B11. Earnings Per Share**

The basic and diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

|   | Quarter Ended |           | Year-To-Date Ended |           |
|---|---------------|-----------|--------------------|-----------|
|   | 30-Jun-17     | 30-Jun-16 | 30-Jun-17          | 30-Jun-16 |
| Group's profit attributable to equity holders of the Company (RM'000) | 5,982         | 5,457     | 10,705             | 9,167     |
| Weighted average number of ordinary shares ('000)                     | 871,473       | 792,241   | 871,469            | 792,241   |
| Upon conversion of warrants ('000)                                    | 68,769        | 264,080   | 68,769             | 264,080   |
| Adjusted weighted average number of ordinary shares ('000)            | 940,242       | 1,056,321 | 940,238            | 1,056,321 |
| Earnings per share (sen):   |               |           |                    |           |
| - Basic ^   | 0.69          | 0.69      | 1.23               | 1.16      |
| - Diluted *   | 0.64          | 0.52      | 1.14               | 0.87      |

**Notes:**

^ Basic earnings per share are based on the profit attributable to owners of the Company and weighted average number of ordinary shares outstanding during the quarter/period.

\* Diluted earnings per share are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the quarter/period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**OCK GROUP BERHAD (Company No: 955915 – M)**

**B12. Profit for the year**

|  | Quarter Ended |           | Year-To-Date Ended |           |
|--|---------------|-----------|--------------------|-----------|
|  | 30-Jun-17     | 30-Jun-16 | 30-Jun-17          | 30-Jun-16 |
|  | RM'000        | RM'000    | RM'000             | RM'000    |
| Profit before taxation is arrived at after charging/(crediting): | 11,450        | 9,420     | 20,546             | 15,160    |
| - depreciation and amortisation                                  | 9,567         | 2,895     | 16,313             | 5,592     |
| - interest expenses  | 5,908         | 2,049     | 9,916              | 3,837     |
| - interest income  | (61)          | (1,047)   | (220)              | (1,293)   |
| - (gain)/loss on foreign exchange                                | (355)         | 623       | (363)              | 271       |
| - other income   | (569)         | (286)     | (1,255)            | (1,177)   |

**B13. Dividend**

No interim dividend has been proposed or declared for the current financial period ended 30 June 2017.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)  
Company Secretary  
Kuala Lumpur  
Date: 29 August 2017