

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 30-Sep-17 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30-Sep-16 RM'000	CURRENT YEAR TO DATE ENDED 30-Sep-17 RM'000	PRECEDING YEAR TO DATE ENDED 30-Sep-16 RM'000
Revenue	125,238	101,919	351,021	294,373
Cost of sales	(92,152)	(75,103)	(261,927)	(230,067)
Gross profit	33,086	26,816	89,094	64,306
Other income	599	1,176	2,074	3,646
Administrative expenses	(17,027)	(14,451)	(44,048)	(35,413)
Operating profit	16,658	13,541	47,120	32,539
Finance costs	(4,368)	(2,509)	(14,284)	(6,346)
Share of results of associates	-	-	-	-
Profit before tax	12,290	11,032	32,836	26,193
Taxation	(3,566)	(3,232)	(9,339)	(7,249)
Profit for the financial period	8,724	7,800	23,497	18,944
Other comprehensive income, net of tax:				
Foreign currency translation	854	2,092	509	2,028
Total comprehensive income for the financial period	9,578	9,892	24,006	20,972
Profit attributable to:				
Owners of the Company	6,891	5,457	17,595	14,624
Non-controlling interests	1,833	2,343	5,902	4,320
	8,724	7,800	23,497	18,944
Total comprehensive income attributable to:				
Owners of the Company	6,844	7,549	17,154	16,652
Non-controlling interests	2,734	2,343	6,852	4,320
	9,578	9,892	24,006	20,972

Note:

The Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 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 SEPTEMBER 2017

	As at 30-Sep-17 RM'000	As at 31-Dec-16 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	361,700	268,548
Investment properties	16,525	14,500
Deferred tax assets	196	173
Intangible assets	177,135	21,944
Investment in joint venture	400	-
Trade receivables	27,068	19,790
	583,024	324,955
Current Assets		
Inventories	72,700	50,368
Amount due from contract customers	6,983	13,870
Other Investments	84	226
Trade and other receivables	314,756	292,231
Tax recoverable	2,041	1,681
Derivative financial assets	195	195
Fixed deposits placed with licensed banks	20,847	14,430
Cash and bank balances	67,617	114,854
	485,223	487,855
TOTAL ASSETS	1,068,247	812,810
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
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	(2,028)	(1,587)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Capital reserve	208	-
Retained earnings	117,814	100,619
	431,831	414,864
Non-controlling interests	57,365	49,038
Total Equity	489,196	463,902
Non-Current Liabilities		
Loan and borrowings	199,646	65,214
Deferred tax liabilities	8,189	8,189
Trade payables	5,555	19,795
Post employment benefit liabilities	305	325
	213,695	93,523
Current Liabilities		
Amount due to contract customers	-	637
Trade and other payables	129,176	168,430
Loan and borrowings	234,031	81,843
Tax payables	2,149	4,475
	365,356	255,385
TOTAL LIABILITIES	579,051	348,908
TOTAL EQUITY AND LIABILITIES	1,068,247	812,810
Net assets per share attributable to owners of the Company (RM)	0.50	0.48

OCK GROUP BERHAD (Company No: 955915 – M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30
SEPTEMBER 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.

OCK GROUP BERHAD (Company No: 955915 – M)

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

	← Attributable to owners of the Company →									
	Non-distributable						Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Warrant Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Capital Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2017	87,147	157,151	84,136	2,818	(17,007)	-	100,619	414,864	49,038	463,902
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	32	32
Subscription of shares by NCI in a subsidiary	-	-	-	-	-	-	-	-	1,971	1,971
Dividend paid	-	-	-	-	-	-	-	-	(720)	(720)
Bonus Issue in a subsidiary	-	-	-	-	-	208	(400)	(192)	192	-
Exercise of Warrants	7	-	(2)	-	-	-	-	5	-	5
Foreign currency translation	-	-	-	(441)	-	-	-	(441)	950	509
Total comprehensive income for the financial period	-	-	-	-	-	-	17,595	17,595	5,902	23,497
At 30 September 2017	87,154	157,151	84,134	2,377	(17,007)	208	117,814	431,831	57,365	489,196
At 1 January 2016	79,224	102,869	84,136	4,971	(17,007)	-	78,693	332,886	10,370	343,256
Subscription of shares by NCI in subsidiaries	-	-	-	-	-	-	-	-	24	24
Dividend paid	-	-	-	-	-	-	(4,753)	(4,753)	(803)	(5,556)
Private Placement	7,923	56,249	-	-	-	-	-	64,172	-	64,172
Share issuance expenses	-	(1,967)	-	-	-	-	-	(1,967)	-	(1,967)
Foreign currency translation	-	-	-	2,028	-	-	-	2,028	-	2,028
Total comprehensive income for the financial period	-	-	-	-	-	-	14,624	14,624	4,320	18,944
At 30 September 2016	87,147	157,151	84,136	6,999	(17,007)	-	88,564	406,990	13,911	420,901

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 SEPTEMBER 2017

	Current Year To Date Ended 30-Sep-17 RM'000	Preceding Year To Date Ended 30-Sep-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,836	26,193
Adjustments for:		
Depreciation	21,852	7,183
Amortisation of intangibles	1,370	1,136
Interest expenses	14,284	6,346
Interest income	(349)	(1,821)
	<u>69,993</u>	<u>39,037</u>
Changes in working capital:		
Inventories	(22,276)	(37,171)
Receivables	(7,315)	(84,232)
Payables	(57,484)	71,951
Amount due from customer for contract works	-	(21)
	<u>(17,082)</u>	<u>(10,436)</u>
Tax paid	(13,162)	(7,609)
Interests received	349	1,821
Net cash flows used in operating activities	<u>(29,895)</u>	<u>(16,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	(216,090)	-
Change in pledged deposits	838	-
Purchase of property, plant and equipment and investment properties	(68,658)	(113,775)
Investment in joint venture	(400)	-
Other investments	142	-
Net cash flows used in investing activities	<u>(284,168)</u>	<u>(113,775)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(14,284)	(6,346)
Net drawdown of borrowings	295,705	51,170
Proceed from private placement	-	64,172
Share issuance expenses	-	(1,967)
Proceeds from exercise of warrants	5	-
Subscription of shares by non-controlling interests in a subsidiary	1,971	-
Dividends paid to:		
- owners of the Company	-	(4,753)
- non-controlling interests	(720)	(803)
Net cash flows from financing activities	<u>282,677</u>	<u>101,473</u>
Net change in cash and cash equivalents	(31,386)	(28,526)
Effects of exchange rate changes	489	2,028
Cash and cash equivalents:		
At the beginning of the financial period	84,825	149,805
At the end of the financial period	<u>53,928</u>	<u>123,307</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	67,617	75,769
Fixed deposits	20,847	61,600
Bank overdraft	(23,571)	-
	<u>64,893</u>	<u>137,369</u>
Less: Fixed deposits pledged with licensed banks	(10,965)	(14,062)
	<u>53,928</u>	<u>123,307</u>

OCK GROUP BERHAD (Company No: 955915 – M)

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

Note:

The Condensed Consolidated Statement 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 SEPTEMBER 2017

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 SEPTEMBER 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 unaudited 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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

A8. Dividends Paid

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

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A9. Segmental Information

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

Cumulative Quarter 30 September 2017	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from							
External customers	306,262	30,791	3,567	10,401	-	-	351,021
Inter-segment revenue	45,490	2,521	2,987	4,756	-	(55,754)	-
Total Revenue	351,752	33,312	6,554	15,157	-	(55,754)	351,021
Profit before tax	32,606	4,031	1,145	115	(1,107)	(3,954)	32,836
Taxation	(6,975)	(990)	(267)	(188)	(1,245)	326	(9,339)
Profit for the financial period	25,631	3,041	878	(73)	(2,352)	(3,628)	23,497

Cumulative Quarter 30 September 2016	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from							
External customers	243,497	27,496	5,817	17,563	-	-	294,373
Inter-segment revenue	13,481	-	4,880	2,391	-	(20,752)	-
Total Revenue	256,978	27,496	10,697	19,954	-	(20,752)	294,373
Profit before tax	24,011	1,957	1,783	611	(87)	(2,082)	26,193
Taxation	(6,192)	(470)	(428)	(146)	(13)	-	(7,249)
Profit for the financial period	17,819	1,487	1,355	465	(100)	(2,082)	18,944

A9. Segmental Information (Cont'd)

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

Cumulative Quarter 30 September 2017	Malaysia RM'000	Regional RM'000	Elimination RM'000	Group RM'000
Revenue from				
External customers	227,070	123,951	-	351,021
Inter-segment revenue	54,836	918	(55,754)	-
Total Revenue	281,906	124,869	(55,754)	351,021
Profit before tax	17,263	19,527	(3,954)	32,836
Taxation	(5,814)	(3,851)	326	(9,339)
Profit for the financial period	11,449	15,676	(3,628)	23,497

Cumulative Quarter 30 September 2016	Malaysia RM'000	Regional RM'000	Elimination RM'000	Group RM'000
Revenue from				
External customers	240,088	54,285	-	294,373
Inter-segment revenue	20,752	-	(20,752)	-
Total Revenue	260,840	54,285	(20,752)	294,373
Profit before tax	25,110	3,165	(2,082)	26,193
Taxation	(5,935)	(1,314)	-	(7,249)
Profit for the financial period	19,175	1,851	(2,082)	18,944

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 September 2017, the capital commitments are as follows:

	UNAUDITED as at 30-Sep-17 RM'000	UNAUDITED as at 30-Sep-16 RM'000
Capital expenditure approved and contracted for	77,284	204,626

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.

(c) On 26 September 2017, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn Bhd ("OCKSE"), and Irat Properties Sdn Bhd ("IRAT") had entered into a Joint Venture Agreement to regularise their respective rights, duties and obligations and mutual covenants as shareholders of Irat Civil Works Sdn Bhd ("ICW").

ICW was incorporated on 25 April 2017 with paid-up share capital of RM2. The issued and paid-up share capital shall be increased from RM2 to RM1,000,000 where OCKSE and IRAT shall each subscribe in cash, through the allotment of 400,000 ordinary shares amounting to RM400,000 to OCKSE and the allotment of 599,998 ordinary shares amounting to RM599,998 to IRAT. The intended activity of ICW is the provision of engineering services.

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A14. Contingent Liabilities and Contingent Assets

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

	UNAUDITED as at 30-Sep-17 RM'000	UNAUDITED as at 30-Sep-16 RM'000
Financial guarantees given by OCK Group Berhad to licensed banks for facilities granted to subsidiaries	432,106	382,547
Financial guarantees given to a third party for the sales of goods to a subsidiary	24,796	47,293
	<u>24,796</u>	<u>47,293</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 as at 30-Sep-17 RM'000	UNAUDITED as at 30-Sep-16 RM'000
Sales	<u>(6,712)</u>	<u>(7,606)</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 Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	138,000	11,440	2,077	5,016	-	(31,295)	125,238
Profit before tax	14,040	1,208	347	(72)	(322)	(2,911)	12,290

Individual Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	94,671	8,781	2,019	5,611	-	(9,163)	101,919
Profit before tax	10,321	850	186	42	11	(378)	11,032

Cumulative Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	351,752	33,312	6,554	15,157	-	(55,754)	351,021
Profit before tax	32,606	4,031	1,145	115	(1,107)	(3,954)	32,836

Cumulative Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	256,978	27,496	10,697	19,954	-	(20,752)	294,373
Profit before tax	24,011	1,957	1,783	611	(87)	(2,082)	26,193

For the current quarter and cumulative quarter ended 30 September 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”). For the cumulative quarter, there are higher revenue contribution from the tower leasing business from Myanmar and Vietnam. In addition, the managed services/ site maintenance business also has higher year-on-year revenue contribution from both the Malaysian and Indonesian markets.

Consequently, the higher Group revenue resulted in a higher Group profit before tax (“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 Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	138,000	11,440	2,077	5,016	-	(31,295)	125,238
Profit before tax	14,040	1,208	347	(72)	(322)	(2,911)	12,290

Individual Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding 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

The total revenue of RM125.2 million recorded for the current quarter was higher as compared to the revenue in the preceding quarter of RM119.3 million mainly due to higher revenue contribution from TNS in current quarter. These are mainly related to the contracting and engineering works sub-segment.

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 and Vietnam. The Group is expected to benefit from the increase projects coming out from the networks expansion and upgrade 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. For our tower leasing business expansion, the Group is leveraging on its established presence in ASEAN and its vast experiences in building telecommunication infrastructures and site 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 Myanmar Limited (“Telenor”) and Telecom International Myanmar Company Limited (“Mytel”). The Group has secured 2 Master Service agreements of “New-build” and “Co-location” with Mytel last quarter; the delivery of towers to Mytel are currently in-progress.

B3. Prospects (Cont'd)

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-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	RM'000	RM'000	RM'000	RM'000
Taxation for the period	5,776	3,020	9,108	7,034
Under provision in prior year	-	219	-	219
Deferred Tax	(2,210)	(7)	231	(4)
Total taxation	<u>3,566</u>	<u>3,232</u>	<u>9,339</u>	<u>7,249</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 RM'000	Actual Utilisation As at 30.09.2017 RM'000	Balance Utilisation %	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 September 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Hire purchase	13,948	-	13,948
Term loans	185,698	-	185,698
	<u>199,646</u>	<u>-</u>	<u>199,646</u>
Short term borrowings:-			
Overdraft	23,571	-	23,571
Bankers' acceptance	11,427	-	11,427
Bonds	-	1,571	1,571
Revolving project loan	42,575	-	42,575
Hire purchase payables	6,907	-	6,907
Term loans	147,980	-	147,980
	<u>232,460</u>	<u>1,571</u>	<u>234,031</u>

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM286.4 million and RM4.9 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 as at 30-Sep-17 RM'000	UNAUDITED as at 30-Sep-16 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	117,840	89,304
- Unrealised	(26)	(740)
Total Group retained earnings as per consolidated accounts	117,814	88,564

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-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
Group's profit attributable to equity holders of the Company (RM'000)	6,891	5,457	17,595	14,624
Weighted average number of ordinary shares ('000)	871,473	830,992	871,470	805,253
Upon conversion of warrants ('000)	56,900	264,080	56,900	264,080
Adjusted weighted average number of ordinary shares ('000)	928,373	1,095,072	928,370	1,069,333
Earnings per share (sen):				
- Basic ^	0.79	0.66	2.02	1.82
- Diluted *	0.74	0.50	1.90	1.37

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-Sep-17 RM'000	30-Sep-16 RM'000	30-Sep-17 RM'000	30-Sep-16 RM'000
Profit before tax is arrived at after charging/(crediting):	12,290	11,032	32,836	26,193
- depreciation and amortisation	6,909	3,484	23,222	8,319
- interest expenses	4,368	2,509	14,284	6,346
- interest income	(129)	(528)	(349)	(1,821)
- (gain)/loss on foreign exchange	(96)	(816)	(459)	(545)
- other income	(470)	(649)	(1,725)	(1,826)

B13. Dividend

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

By Order of the Board

Wong Youn Kim (MAICSA 7018778)
Company Secretary
Kuala Lumpur
Date: 28 November 2017