

**OCK GROUP BERHAD (Company No: 955915 – M)****QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>CURRENT QUARTER ENDED 31-Dec-19 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 31-Dec-18 RM'000</b>	<b>CURRENT YEAR TO DATE ENDED 31-Dec-19 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 31-Dec-18 RM'000</b>
Revenue	123,320	134,374	473,706	457,221
Cost of sales	(90,746)	(104,522)	(350,019)	(337,248)
Gross profit	32,574	29,853	123,687	119,973
Other income	238	5,172	2,820	7,657
Administrative expenses	(13,722)	(15,435)	(55,521)	(61,183)
Operating profit	19,090	19,589	70,986	66,447
Finance costs	(8,643)	(7,814)	(31,992)	(22,038)
Share of results of associates/ JV	57	(197)	895	(197)
Profit before tax	10,504	11,578	39,889	44,212
Taxation	(2,616)	(5,513)	(8,931)	(14,366)
Profit for the financial period	7,888	6,065	30,958	29,846
Other comprehensive income, net of tax:				
Actuarial loss from employee benefits	(36)	-	(36)	-
Foreign currency translation	(12,675)	17,987	9,468	1,271
Total comprehensive income for the financial period	(4,823)	24,052	40,390	31,117
Profit attributable to:				
Owners of the Company	7,232	7,135	28,053	24,276
Non-controlling interests	656	(1,070)	2,905	5,570
	7,888	6,065	30,958	29,846
Total comprehensive income attributable to:				
Owners of the Company	(2,496)	29,325	38,201	27,842
Non-controlling interests	(2,327)	(5,273)	2,189	3,275
	(4,823)	24,052	40,390	31,117

**Note:**

The Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 31 December 2019 should be read in conjunction with the Audited Financial Statements for the financial year ended (“FYE”) 31 December 2018 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 31 DECEMBER 2019**

	<b>UNAUDITED</b> As at <b>31-Dec-19</b> RM'000	<b>AUDITED</b> As at <b>31-Dec-18</b> RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	533,159	463,043
Investment properties	17,861	17,861
Right-of-use assets	151,123	-
Deferred tax assets	691	643
Intangible assets	165,362	164,637
Investment in joint ventures / associates	1,119	225
Trade and other receivables	2,144	4,405
	<b>871,459</b>	<b>650,814</b>
<b>Current Assets</b>		
Inventories	66,683	72,422
Contract assets	22,712	13,085
Other Investments	193	-
Trade and other receivables	299,096	317,791
Tax recoverable	3,725	5,780
Fixed deposits placed with licensed banks	4,635	21,197
Cash and bank balances	116,919	55,492
	<b>513,963</b>	<b>485,767</b>
<b>TOTAL ASSETS</b>	<b>1,385,422</b>	<b>1,136,581</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	295,523	244,305
Warrant reserve	84,134	84,134
Revaluation reserve	4,397	4,207
Foreign currency translation reserve	(8,478)	(15,073)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Other reserve	215	967
Retained earnings	159,768	139,535
	518,552	441,068
Non-controlling interests	62,970	53,989
<b>Total Equity</b>	<b>581,522</b>	<b>495,057</b>
<b>Non-Current Liabilities</b>		
Loan and borrowings	254,601	316,468
Deferred tax liabilities	13,525	13,784
Provision for liabilities	6,540	4,195
Post employment benefit liabilities	523	460
Lease liabilities	135,973	7,768
	<b>411,162</b>	<b>342,675</b>
<b>Current Liabilities</b>		
Contract liabilities	-	1,890
Trade and other payables	141,050	121,362
Loan and borrowings	225,411	165,881
Lease liabilities	24,520	5,537
Derivative financial liabilities	2	2
Tax payables	1,755	4,177
	<b>392,738</b>	<b>298,849</b>
<b>TOTAL LIABILITIES</b>	<b>803,900</b>	<b>641,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,385,422</b>	<b>1,136,581</b>
Net assets per share attributable to owners of the Company (RM)	<b>0.54</b>	<b>0.51</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31  
DECEMBER 2019 (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 2018 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	← Attributable to owners of the Company →							Non-Controlling Interests	Total Equity
	Non-distributable				Distributable				
	Share Capital	Warrant Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Other Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2019</b>	244,305	84,134	(10,866)	(17,007)	967	139,535	441,068	53,989	495,057
<b>Effect on PPA adjustments* (Note A16)</b>	-	-	-	-	-	(260)	(260)	-	(260)
<b>Effects of changes in foreign currency translation</b>	-	-	-	-	-	(7,527)	(7,527)	-	(7,527)
<b>At 1 January 2019, restated</b>	244,305	84,134	(10,866)	(17,007)	967	131,748	433,281	53,989	487,270
<b>Acquisition of subsidiaries</b>	-	-	-	-	-	(12)	(12)	375	363
<b>Disposal of subsidiaries</b>	-	-	-	-	-	14	14	-	14
<b>Subscription of shares by NCI in a subsidiary</b>	-	-	-	-	-	-	-	7,211	7,211
<b>Dividend paid</b>	-	-	-	-	-	-	-	(794)	(794)
<b>Private placement exercise</b>	52,260	-	-	-	-	-	52,260	-	52,260
<b>Share issuance expenses</b>	(1,042)	-	-	-	-	-	(1,042)	-	(1,042)
<b>Revaluation surplus on fixed assets</b>	-	-	190	-	-	-	190	-	190
<b>Actuarial loss from employee benefits</b>	-	-	-	-	-	(35)	(35)	(7)	(42)
<b>Foreign currency translation</b>	-	-	6,595	-	(752)	-	5,843	(709)	5,134
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	28,053	28,053	2,905	30,958
<b>At 31 December 2019</b>	295,523	84,134	(4,081)	(17,007)	215	159,768	518,552	62,970	581,522
<b>At 1 January 2018</b>	244,305	84,134	(14,327)	(17,007)	546	115,700	413,351	53,041	466,392
<b>Dividend paid</b>	-	-	-	-	-	-	-	(2,327)	(2,327)
<b>Actuarial loss from employee benefits</b>	-	-	-	-	-	(3)	(3)	(1)	(3)
<b>Foreign currency translation</b>	-	-	3,569	-	-	-	3,569	(2,294)	1,275
<b>Realisation of revaluation reserve</b>	-	-	(99)	-	-	99	-	-	-
<b>Appropriation to other reserves</b>	-	-	(9)	-	421	(537)	(125)	-	(125)
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	24,276	24,276	5,570	29,846
<b>At 31 December 2018</b>	244,305	84,134	(10,866)	(17,007)	967	139,535	441,068	53,989	495,058

Note:

\*Retrospective adjustment to reflect the effects of purchase price allocation (“PPA”) of Novel Energy Sdn. Bhd., Suluk Damai Sdn. Bhd. and Azminas Sdn. Bhd. completed in March 2019. Please refer Note A16 for more detail.

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Current Year To Date Ended 31-Dec-19 RM'000</b>	<b>Preceding Year To Date Ended 31-Dec-18 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	39,889	44,212
Adjustments for:		
Depreciation	62,640	34,411
Bad debts written off	-	167
Net unrealised loss/(gain) on foreign exchange	-	173
Amortisation of intangibles	2,779	2,679
Fair value loss/(gain) on derivative instruments	-	(4)
Fair value loss/(gain) on investment properties	-	(1,000)
Provision for post employment benefits	-	98
Gain from bargain purchase	-	(32)
Net loss/(gain) on disposal of property, plant and equipment	-	(78)
Impairment losse on receivables	-	38
Interest expenses	31,992	22,038
Income from short term cash investments	-	(29)
Interest income	(1,351)	(3,731)
Property, plant and equipment written off	-	363
Share of results of an associate	(895)	197
Unwinding effect on provision for site restoration	-	139
	<u>135,054</u>	<u>99,641</u>
Changes in working capital:		
Inventories	5,739	(2,377)
Receivables	20,956	8,895
Payables	24,343	(47,578)
Amount due from customer for contract works	(9,626)	(58)
	<u>176,466</u>	<u>58,523</u>
Tax paid	(12,472)	(16,883)
Tax refunded	2,867	17
Interests received	<u>1,351</u>	<u>3,731</u>
<b>Net cash flows (used in)/ from operating activities</b>	<u><u>168,212</u></u>	<u><u>45,388</u></u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	Current Year To Date Ended 31-Dec-19 RM'000	Preceding Year To Date Ended 31-Dec-18 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	(4,200)	(90)
Advances to ultimate holding company	-	(126)
Advances to an associated company	-	(23)
Change in pledged deposits	7,797	(164)
Income from short term cash investments	-	29
Purchase of property, plant and equipment and investment properties	(132,756)	(108,272)
Capital development expenditure		
Proceeds from disposal of property plant and equipment	-	758
Investment in joint ventures / associates	-	(422)
Other investments	(193)	-
<b>Net cash flows (used in)/ from investing activities</b>	<b>(129,352)</b>	<b>(108,310)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from shareholder of a subsidiary	-	890
Interests paid	(31,992)	(20,477)
Net drawdown of borrowings	(20,733)	35,366
Proceed from private placement	52,260	-
Share issuance expenses	(1,042)	-
Dividends paid to:		
- non-controlling interests	(794)	(2,327)
Payment of lease liabilities	(3,934)	(7,021)
<b>Net cash flows (used in)/ from financing activities</b>	<b>(6,235)</b>	<b>6,431</b>
Net change in cash and cash equivalents	32,625	(56,491)
Effects of exchange rate changes	1,642	(4,189)
Cash and cash equivalents:		
At the beginning of the financial year	22,131	82,811
At the end of the financial year	56,398	22,131
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	116,919	55,492
Fixed deposits	4,635	21,197
Bank overdraft	(60,521)	(42,126)
	61,033	34,563
Less: Fixed deposits pledged with licensed banks	(4,635)	(12,432)
	56,398	22,131

**Note:**

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

**QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2019**

**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 2018 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 2018.

**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 2018 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after 1 January 2019.

New MFRSs:

MFRS 16	Leases
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Amendments/Improvements to MFRSs:

MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
IC Interpretation 23	Uncertainty over Income Tax Treatments

The adoption of the above did not have any significant effects on the interim financial report of the Group, except for:

1. MFRS 16 Leases

The Group has adopted MFRS 16 retrospectively from 1 January 2019, but not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The adjustments arising from the new leasing rules are therefore recognised in the opening of financial position on 1 January 2019.

**A2. Summary of Significant Accounting Policies (cont'd)**

1. MFRS 16 Leases (cont'd)

Prior to 1 January 2019, the leases under MFRS 117 were classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as “rights-of-use” assets and their corresponding lease liabilities for the present value of future lease payments.

**A3. Auditors' Report**

There was no qualification on the audited financial statements of the Company and its subsidiary companies for the FYE 31 December 2018.

**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.

**A9. Segmental Information**

The segmental results of the Group for the FYE 31 December 2019 based on segment activities are as follows:

<b>Cumulative Quarter 31 December 2019</b>	<b>Telecommunication Network Services RM'000</b>	<b>Green Energy and Power Solution RM'000</b>	<b>Trading RM'000</b>	<b>M&amp;E Engineering Services RM'000</b>	<b>Investment Holding Company RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from External customers	392,331	32,180	12,246	36,949	-	-	473,706
Inter-segment revenue	19,073	3,268	7,091	4,415	-	(33,847)	-
<b>Total Revenue</b>	<b>411,404</b>	<b>35,448</b>	<b>19,337</b>	<b>41,364</b>	<b>-</b>	<b>(33,847)</b>	<b>473,706</b>
Profit before tax	30,794	2,045	3,392	3,654	4,341	(4,336)	39,890
Taxation	(7,674)	(425)	(781)	(905)	(510)	1,364	(8,931)
<b>Profit for the financial year</b>	<b>23,120</b>	<b>1,620</b>	<b>2,611</b>	<b>2,749</b>	<b>3,831</b>	<b>(2,973)</b>	<b>30,958</b>

<b>Cumulative Quarter 31 December 2018</b>	<b>Telecommunication Network Services RM'000</b>	<b>Green Energy and Power Solution RM'000</b>	<b>Trading RM'000</b>	<b>M&amp;E Engineering Services RM'000</b>	<b>Investment Holding Company RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
Revenue from External customers	390,250	30,275	15,841	21,230	-	(375)	457,221
Inter-segment revenue	31,861	1,198	5,872	1,023	-	(39,954)	-
<b>Total Revenue</b>	<b>422,111</b>	<b>31,473</b>	<b>21,713</b>	<b>22,253</b>	<b>-</b>	<b>(40,329)</b>	<b>457,221</b>
Profit before tax	59,678	1,487	2,837	523	6,131	(26,444)	44,212
Taxation	(11,740)	(555)	(697)	(155)	(1,996)	777	(14,366)
<b>Profit for the financial year</b>	<b>47,938</b>	<b>932</b>	<b>2,140</b>	<b>368</b>	<b>4,135</b>	<b>(25,667)</b>	<b>29,846</b>

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

The segmental results of the Group for the FYE 31 December 2019 based on geographical segment are as follows:

<b>Cumulative Quarter</b>	<b>Malaysia</b>	<b>Regional</b>	<b>Elimination</b>	<b>Group</b>
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue from				
External customers	286,419	187,287	-	473,706
Inter-segment revenue	32,605	1,242	(33,847)	-
<b>Total Revenue</b>	<b>319,024</b>	<b>188,529</b>	<b>(33,847)</b>	<b>473,706</b>
Profit before tax	25,921	18,304	(4,336)	39,889
Taxation	(5,876)	(4,419)	1,364	(8,931)
<b>Profit for the financial year</b>	<b>20,045</b>	<b>13,885</b>	<b>(2,973)</b>	<b>30,958</b>

<b>Cumulative Quarter</b>	<b>Malaysia</b>	<b>Regional</b>	<b>Elimination</b>	<b>Group</b>
<b>31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue from				
External customers	282,453	174,768	-	457,221
Inter-segment revenue	23,246	16,708	(39,954)	-
<b>Total Revenue</b>	<b>305,699</b>	<b>191,476</b>	<b>(39,954)</b>	<b>457,221</b>
Profit before tax	25,215	45,441	(26,444)	44,212
Taxation	(8,600)	(6,543)	777	(14,366)
<b>Profit for the financial year</b>	<b>16,615</b>	<b>38,898</b>	<b>(25,667)</b>	<b>29,846</b>

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

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

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

### A11. Capital Commitments

As at 31 December 2019, the capital commitments are as follows:

	UNAUDITED as at 31-Dec-19 RM'000	AUDITED as at 31-Dec-18 RM'000
In respect of capital expenditure: Property, plant and equipment		
- approved and contracted for	74,514	96,740
- approved but not contracted for	28,612	96,487
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In respect of acquisition of a subsidiary		
- approved and contracted for	24,650	145
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### 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

There are no changes in the composition of the Group in current quarter under review.

### A14. Contingent Liabilities and Contingent Assets

As at 31 December 2019, the contingent liabilities are as follows:

	UNAUDITED as at 31-Dec-19 RM'000	AUDITED as at 31-Dec-18 RM'000
Financial guarantees given by OCK Group Berhad to licensed banks for facilities granted to subsidiaries	480,012	487,629
Financial guarantees given to a third party for the sales of goods to a subsidiary	-	193
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**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 31-Dec-19 RM'000	AUDITED as at 31-Dec-18 RM'000
Consultancy fee	308	405
Purchases	230	203
Media and investor relation expense	71	-
Introducer fee	69	-
Sales	(4,423)	(4,438)

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.

**A16. Completion of Purchase Price Allocation**

During the current financial year, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Novel Energy Sdn. Bhd. (“Novel Energy”), an indirect wholly-owned subsidiary company, Suluk Damai Sdn. Bhd. (“Suluk Damai”), an indirect wholly-owned subsidiary company and Azminas Sdn. Bhd. (“Azminas”), an indirect wholly-owned subsidiary company within the stipulated time period, i.e. twelve (12) months from the respective acquisition dates of 8 March 2018, in accordance with MFRS 3 “Business Combinations”. Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>As at 31 December 2018</b>			
<b>Consolidated Statement of Financial Position</b>			
<u>Non-Current Assets</u>			
Intangible Assets	25,201	899	26,100
Goodwill on consolidation	139,436	(943)	138,493
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	-	(216)	216
<b>Consolidated Statement of Changes in Equity</b>			
Retained earnings	139,535	(260)	139,275

**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
31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	110,612	11,216	2,578	11,083	-	(12,169)	123,320
Profit before tax	6,408	531	602	764	(68)	2,267	10,504

Individual Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
31 December 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	128,824	4,204	10,167	11,813	-	(20,634)	134,374
Profit before tax	26,437	(717)	1,298	922	3,735	(20,098)	11,577

For the current quarter ended 31 December 2019, the Group reported a lower revenue as compared to the corresponding quarter of previous year, mainly due to lower revenue contribution from Telecommunication Network Services (“TNS”) and Trading.

**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
31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	110,612	11,216	2,578	11,083	-	(12,169)	123,320
Profit before tax	6,408	531	602	764	(68)	2,267	10,504

Individual Quarter	Telecommunication Network Services	Green Energy and Power Solution	Trading	M&E Engineering Services	Investment Holding Company	Elimination	Group
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Revenue	113,636	9,320	3,300	12,311	-	(7,514)	131,053
Profit before tax	9,007	710	1,077	639	2,112	(2,068)	11,477

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

The total revenue of RM123.3 million recorded for the current quarter was lower as compared to the revenue in the preceding quarter of RM131.0 million mainly due to lower revenue contribution from Telecommunication Network Services (“TNS”) and Trading in current quarter.

**B3. Prospects**

To date, OCK is the largest Telecommunication Network Services (“TNS”) provider in Malaysia and a rapidly-growing regional independent Tower Company (“TowerCo”). Despite a competitive telecommunication (“telco”) industry landscape, OCK is expecting a positive growth trajectory for the Group going forward.

OCK’s outlook on the industry in Malaysia is in line with the new direction taken by the Government with regards to implementation of the National Fiberization and Connectivity Plan (NFCP) outlined in Budget 2019, as well as opportunities to build and own telecommunication sites in various states.

OCK will stand to benefit directly and indirectly from the NFCP roll out as NFCP prioritises the provision of sustainable digital infrastructure based on fibre optic networks but will also use Wireless technologies, so that it will allow more people to have access to Broadband services in Malaysia. OCK is well positioned with strong capabilities in providing the requirements for the planned NFCP infrastructure roll out.

In addition, OCK sees prospects from an aggressive geographical expansion from one of the MNO in Malaysia, which will allow the Group to build its tower portfolio.

Where managed services is concerned, the Group has identified a new trend in Malaysia, where MNOs are starting to outsource internal managed services to third parties in the industry. This is positive for the Group since we currently manage more than 28,000 telco sites in Malaysia and Indonesia. As such, the prospects going forward seems positive, as we strive to maintain our leadership position as the largest TNS provider in Malaysia.

In Malaysia, the Group currently owns more than 500 Towers and is rapidly undergoing expansion to increase its tower ownership with support from major MNOs.

In Myanmar, to date, the Group has completed and handed over close to 1,000 telecommunication sites. The Group has achieved a milestone of securing new built and greenfield sites with all major MNO. That said, the Group will be aggressive in its initiatives to build and acquire more new sites in this greenfield telecommunications market.

In Vietnam, the Group is currently the largest independent TowerCo, owning more than 2,700 sites. As the Towerco business in Vietnam still remains fragmented, there are still vast opportunities in the brownfield acquisitions area and foresees consolidation opportunities. The focus in this country will be on brownfield opportunities as the market gears up for the rolling out of 4G LTE networks.

To date, the Group has built a tower portfolio of more than 4,200 towers and is one of the largest leading independent tower company in the ASEAN Region.

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

In 2020, OCK will also be planning new expansions into new regional market namely, into the Philippines.

As for the Group's Green Energy Business segment, OCK is optimistic and will actively participate in the future Solar tenders and has been acquiring several solar farms in line with the Group's objective to be a key player in renewal energy and also to built another line of recurring income to the Group.

**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	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	RM'000	RM'000	RM'000	RM'000
Taxation for the period/year	1,527	6,321	8,579	14,153
Deferred Tax	1,089	(808)	352	213
Total taxation	<u>2,616</u>	<u>5,513</u>	<u>8,931</u>	<u>14,366</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate 24%.

**B6. Status of Corporate Proposal**

Save for the following, there was no corporate proposal announced but not completed as at the date of this announcement.

Private Placement

On 7 October 2019, the Company announced a proposed private placement of up to 87,100,000 new OCK shares representing approximately 10% of the Company's total number of issued shares.

Submission of the listing application was made to Bursa Malaysia on 11 Oct 2019 and approval was received from Bursa Malaysia on 24 Oct 2019.

For this exercise, the Company had issued 87,100,000 placement shares at an average placement price of RM 0.60. The amount received for the private placement was RM 52.26 million.

The gross proceeds of RM 52.26 million from the Private Placement exercise which was completed on 6 November 2019 would be utilised in the following manner:

**B6. Status of Corporate Proposal (Cont'd)**

Purposes	Proposed Utilisation RM'000	Actual Utilisation As at 31.12.2019 RM'000	Intended Timeframe for Utilisation	Balance Utilisation %	Deviation		Reason for Deviation
					Amount RM'000	%	
(i) Development and acquisition of green energy assets	47,160	8,192	Within 24 months	82.6%	Note A		Note A
(ii) General working capital	5,000	-	Within 12 months	100.0%	Note A		Note A
(iii) Estimated expenses in relation to the Private Placement	100	100	Upon completion	0.0%	Note A		Note A
Total gross proceeds	52,260	8,292		84.1%			

Note A: The Group expects to utilise the funds raised within 12 – 24 months from receipts within the proposed utilisation range. The Group does not expect any material deviation as at the date of this quarterly report.

**B7. Group borrowings and debt securities**

The Group's borrowings as at 31 December 2019 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Term loans	254,601	-	254,601
	<u>254,601</u>	<u>-</u>	<u>254,601</u>
Short term borrowings:-			
Overdraft	60,521	-	60,521
Bankers' acceptance	10,257	-	10,257
Revolving project loan	40,928	-	40,928
Term loans	113,705	-	113,705
	<u>225,411</u>	<u>-</u>	<u>225,411</u>

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM295.0 million and RM7.4 million which are denominated in USD and IDR, respectively.

**B8. Material Litigation**

Dated 19 November 2018, the arbitration proceedings at China International Economic and Trade Arbitration Commission (CIETAC) in Shanghai has been concluded.

**B9. 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	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Group's profit attributable to equity holders of the Company (RM'000)	7,232	7,135	28,053	24,276
Weighted average number of ordinary shares ('000)	958,573	871,473	958,573	871,473
Upon conversion of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	958,573	871,473	958,573	871,473
Earnings per share (sen):				
- Basic ^	0.75	0.82	2.93	2.79
- Diluted *	0.75	0.82	2.93	2.79

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/year.

\* 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/year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**B10. Profit for the year**

	Quarter Ended		Year-To-Date Ended	
	31-Dec-19 RM'000	31-Dec-18 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000
Profit before tax is arrived at after charging/(crediting):	10,504	11,578	39,889	44,212
- depreciation and amortisation	16,763	10,444	65,419	37,090
- interest expenses	8,643	7,814	31,992	22,038
- interest income	(628)	(3,336)	(1,351)	(3,731)
- (gain)/loss on foreign exchange	271	(702)	459	173
- other income	390	(1,836)	(1,468)	(3,926)

**B11. Dividend**

No interim dividend has been proposed or declared for the current financial year ended 31 December 2019.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)

Company Secretary

Kuala Lumpur

Date: