

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30
 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 30-Sep-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30-Sep-20 RM'000	CURRENT YEAR TO DATE ENDED 30-Sep-21 RM'000	PRECEDING YEAR TO DATE ENDED 30-Sep-20 RM'000
Revenue	118,708	117,235	348,518	334,428
Cost of sales	(88,370)	(84,660)	(258,101)	(244,429)
Gross profit	30,338	32,575	90,417	89,999
Other income	870	1,518	3,330	2,420
Administrative expenses	(16,070)	(16,880)	(46,555)	(43,891)
Operating profit	15,138	17,213	47,192	48,528
Finance costs	(6,631)	(7,655)	(19,161)	(23,179)
Share of results of associates/ JV	-	-	-	266
Profit before tax	8,507	9,558	28,031	25,615
Taxation	(1,998)	(1,461)	(5,334)	(3,722)
Profit for the financial period	6,509	8,097	22,697	21,893
Other comprehensive income, net of tax:				
Foreign currency translation	12,987	(14,834)	23,346	6,143
Total comprehensive income for the financial period	19,496	(6,737)	46,043	28,036
Profit attributable to:				
Owners of the Company	5,000	6,531	19,100	19,510
Non-controlling interests	1,509	1,566	3,597	2,383
	6,509	8,097	22,697	21,893
Total comprehensive income attributable to:				
Owners of the Company	16,324	(7,719)	34,761	22,361
Non-controlling interests	3,172	982	11,282	5,675
	19,496	(6,737)	46,043	28,036

Note:

The Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2020 should be read in conjunction with the Audited Financial Statements for the financial year ended (“FYE”) 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021c

	UNAUDITED As at 30-Sep-21 RM'000	AUDITED As at 31-Dec-20 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	638,865	597,036
Investment properties	19,780	17,761
Right-of-use assets	167,971	173,420
Deferred tax assets	1,557	1,496
Intangible assets	186,356	180,251
Investment in joint ventures / associates	199	201
Trade and other receivables	18,460	20,438
	1,033,188	990,603
Current Assets		
Inventories	68,150	63,414
Contract assets	61,757	76,585
Other Investments	202	582
Trade and other receivables	217,326	189,160
Tax recoverable	4,523	3,620
Fixed deposits placed with licensed banks	4,926	11,944
Cash and bank balances	71,535	66,994
	428,419	412,299
TOTAL ASSETS	1,461,607	1,402,902
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	303,686	295,526
Warrant reserve	10,112	-
Share option reserve	630	-
Revaluation reserve	7,188	7,188
Foreign currency translation reserve	(17,293)	(29,146)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Other reserve	233	252
Retained earnings	300,089	279,585
	587,638	536,398
Non-controlling interests	81,129	85,073
Total Equity	668,767	621,471
Non-Current Liabilities		
Loan and borrowings	199,260	229,190
Deferred tax liabilities	20,977	19,845
Deferred income	2,059	1,936
Provision for liabilities	10,472	9,522
Post employment benefit liabilities	930	738
Lease liabilities	149,635	135,481
	383,333	396,712
Current Liabilities		
Contract liabilities	1,210	2,394
Trade and other payables	185,369	144,706
Loan and borrowings	199,255	204,437
Lease liabilities	18,906	29,510
Tax payables	4,767	3,672
	409,507	384,719
TOTAL LIABILITIES	792,840	781,431
TOTAL EQUITY AND LIABILITIES	1,461,607	1,402,902
Net assets per share attributable to owners of the Company (RM)	0.56	0.56

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30
SEPTEMBER 2021 (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 2020 and the accompanying explanatory notes attached to the interim financial statements.

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	← Attributable to owners of the Company →						Retained Earnings	Total	Non-Controlling Interests	Total Equity
	Non-distributable			Distributable						
	Share Capital	Warrant Reserve	Share Option Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Other Reserve				
At 1 January 2021	295,526	-	-	(21,958)	(17,007)	252	279,585	536,398	85,073	621,471
Effect on PPA adjustments* (Note A16)	-	-	-	-	-	-	1,404	1,404	-	1,404
At 1 January 2021, restated	295,526	-	-	(21,958)	(17,007)	252	280,989	537,802	85,073	622,875
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(1,134)	(1,134)
Redemption of shares by NCI in a subsidiary	-	-	-	-	-	-	-	-	(10,939)	(10,939)
Dividend paid	-	-	-	-	-	-	-	-	(3,153)	(3,153)
Employee share option	-	-	630	-	-	-	-	630	-	630
Right issue	19,171	-	-	-	-	-	-	19,171	-	19,171
Warrant Issues	(10,112)	10,112	-	-	-	-	-	-	-	-
Exercise of ESOS	13	-	-	-	-	-	-	13	-	13
Share issuance expenses	(916)	-	-	-	-	-	-	(916)	-	(916)
Foreign currency translation	-	-	-	11,853	-	(19)	-	11,834	7,685	19,519
Transfer to warrant reserve	4	-	-	-	-	-	-	4	-	4
Total comprehensive income for the financial period	-	-	-	-	-	-	19,100	19,100	3,597	22,697
At 30 September 2021	303,686	10,112	630	(10,105)	(17,007)	233	300,089	587,638	81,129	668,767
At 1 January 2020	295,525	84,134	-	(10,548)	(17,007)	236	169,159	521,499	62,998	584,497
Subscription of shares by NCI in a subsidiary	-	-	-	-	-	-	-	-	9,304	9,304
Dividends paid on shares	-	-	-	-	-	-	-	-	(1,215)	(1,215)
Foreign currency translation reserve	-	-	-	(1,482)	-	(4)	-	(1,486)	3,292	1,806
Total comprehensive income for the financial period	-	-	-	-	-	-	19,510	19,510	2,383	21,893
At 30 September 2020	295,525	84,134	-	(12,030)	(17,007)	232	188,669	539,523	76,762	616,285

Note:

*Retrospective adjustment to reflect the effects of purchase price allocation (“PPA”) of Solar System & Power Sdn. Bhd. completed in February 2021. Please refer to Note A16 for more details.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Current Year To Date Ended 30-Sep-21 RM'000	Preceding Year To Date Ended 30-Sep-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	28,031	25,615
Adjustments for:		
Bad debts written off	109	-
Depreciation	63,122	60,510
Amortisation of intangibles	3,531	2,237
Fair value loss on investment properties	211	-
Gain on disposal of a subsidiary	(950)	-
Employee share option expense	630	-
Impairment losses on receivables	359	-
Interest expenses	19,161	23,179
Interest income	(660)	(1,854)
Share of results of an associate	-	(266)
	<u>113,544</u>	<u>109,421</u>
Changes in working capital:		
Inventories	(4,736)	(3,808)
Receivables	(26,606)	31,541
Payables	40,552	(719)
Amount due from customer for contract works	14,828	(266)
	<u>137,582</u>	<u>136,169</u>
Tax paid	(5,700)	(6,500)
Tax refunded	-	-
Interests received	660	1,854
Net cash flows from operating activities	<u>132,542</u>	<u>131,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(50)	(44,647)
Change in pledged deposits	208	906
Purchase of property, plant and equipment and investment properties	(76,963)	(90,721)
Other investments	380	37,580
Net cash flows used in investing activities	<u>(76,425)</u>	<u>(96,882)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(12,852)	(16,397)
Net drawdown of borrowings	(40,378)	(19,631)
Proceed from issuance of shares	19,189	-
Share issuance expenses	(916)	-
Subscription of shares by non-controlling interests in a subsidiary	(10,920)	9,304
Dividends paid to:		
- non-controlling interests	(3,153)	(1,215)
Payment of lease liabilities	(27,529)	(14,994)
Net cash flows used in financing activities	<u>(76,559)</u>	<u>(42,933)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)

	Current Year To Date Ended 30-Sep-21 RM'000	Preceding Year To Date Ended 30-Sep-20 RM'000
Net change in cash and cash equivalents	(20,442)	(8,292)
Effects of exchange rate changes	12,907	404
Cash and cash equivalents:		
At the beginning of the financial period	46,644	26,192
At the end of the financial period	<u>39,109</u>	<u>18,304</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	71,535	70,042
Fixed deposits	4,926	4,863
Bank overdraft	<u>(32,426)</u>	<u>(51,738)</u>
	44,035	23,167
Less: Fixed deposits pledged with licensed banks	<u>(4,926)</u>	<u>(4,863)</u>
	<u>39,109</u>	<u>18,304</u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with Audited Financial Statements for the FYE 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 SEPTEMBER 2021

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 2020 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 2020.

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 2020 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after 1 January 2021:

Amendments/Improvements to MFRSs:

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above did not have any significant effects on the interim financial report of the Group.

A3. Auditors’ Report

There was no qualification on the audited financial statements of the Company and its subsidiary companies for the FYE 31 December 2020.

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.

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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

During the financial period ended 30 September 2021, a total of 4,500 new ordinary shares were issued pursuant to the exercise of the Employees' Share Option Scheme (ESOS). Detail of the issued and paid up capital of the Company as at 30 September 2021 are as follows:

	No. of Shares Unit'000	RM'000
As at 30 June 2021	1,054,452	303,681
Ordinary shares issued pursuant to the ESOS	5	5
As at 30 September 2021	1,054,457	303,686

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter and financial period ended 30 September 2021.

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 FPE 30 September 2021 based on segment activities are as follows:

Cumulative Quarter 30 September 2021	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	312,829	28,116	6,000	1,573	-	-	348,518
Inter-segment revenue	17,774	2,364	5,418	-	-	(25,556)	-
Total Revenue	330,603	30,480	11,418	1,573	-	(25,556)	348,518
Profit before tax	28,842	3,057	3,742	(3,066)	18,507	(23,051)	28,031
Taxation	(6,423)	(487)	(898)	-	(204)	2,678	(5,334)
Profit for the financial period	22,419	2,570	2,844	(3,066)	18,303	(20,373)	22,697

Cumulative Quarter 30 September 2020	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	309,341	16,413	1,928	6,746	-	-	334,428
Inter-segment revenue	14,256	2,375	2,293	4,821	-	(23,745)	-
Total Revenue	323,597	18,788	4,221	11,567	-	(23,745)	334,428
Profit before tax	30,241	404	1,851	(981)	7,625	(13,525)	25,615
Taxation	(3,615)	(15)	(444)	-	(428)	780	(3,722)
Profit for the financial period	26,626	389	1,407	(981)	7,197	(12,745)	21,893

A9. Segmental Information (Cont'd)

The segmental results of the Group for the FPE 30 September 2021 based on geographical segment are as follows:

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30-September-21	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	162,746	185,772	-	348,518
Inter-segment revenue	24,626	930	(25,556)	-
Total Revenue	187,372	186,702	(25,556)	348,518
Profit before tax	34,347	16,735	(23,051)	28,031
Taxation	(4,232)	(3,780)	2,678	(5,334)
Profit for the financial period	30,115	12,955	(20,373)	22,697

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30-September-20	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	146,218	188,210	-	334,428
Inter-segment revenue	22,792	953	(23,745)	-
Total Revenue	169,010	189,163	(23,745)	334,428
Profit before tax	12,558	26,582	(13,525)	25,615
Taxation	(1,851)	(2,651)	780	(3,722)
Profit for the financial period	10,707	23,931	(12,745)	21,893

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.

A11. Capital Commitments

As at 30 September 2021, the capital commitments are as follows:

	UNAUDITED	UNAUDITED
	as at	as at
	30-Sep-21	30-Sep-20
	RM'000	RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	158,903	82,003
- approved but not contracted for	249,342	120,584
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In respect of acquisition of a subsidiary		
- approved and contracted for	-	-
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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

In August 2021, the Group through its wholly owned subsidiary, OCK Setia Engineering Sdn. Bhd., incorporated Gabungan Setia Sdn. Bhd. with an initial issued and paid-up share capital of RM1 million comprising 1 million ordinary shares of RM1.00 each.

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

A14. Contingent Liabilities and Contingent Assets

As at 30 September 2021, the contingent liabilities are as follows:

	UNAUDITED	UNAUDITED
	as at	as at
	30-Sep-21	30-Sep-20
	RM'000	RM'000
Financial guarantees given by OCK Group Berhad to licensed banks for facilities granted to subsidiaries	401,783	451,491
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A15. Significant Related Party Transaction

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

Nature of Transactions	UNAUDITED as at 30-Sep-21 RM'000	UNAUDITED as at 30-Sep-20 RM'000
Consultancy fee	205	-
Interest expense	373	-
Purchases	288	93
Sales	(7)	(178)

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 period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Solar System & Power Sdn. Bhd. (“SSP”), an indirect wholly-owned subsidiary company within the stipulated time period, i.e. twelve (12) months from the respective acquisition date of 12 February 2020, 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
As at 31 December 2020			
Consolidated Statement of Financial Position			
<u>Non-Current Assets</u>			
Intangible Assets	40,604	6,791	47,395
Goodwill on consolidation	139,647	(3,757)	135,890
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	-	(1,630)	1,630
Consolidated Statement of Changes in Equity			
Retained earnings	169,159	(1,404)	170,563

OCK GROUP BERHAD**Company No: 201101027780 (955915 – M)****A17. Employees' Share Option Scheme ("ESOS")**

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The shareholders approved the scheme at an Extraordinary General Meeting held on 11 November 2020 and shall be in force for five years until 12 November 2025. Accordingly, in compliance with Malaysia Financial Reporting Standard, MFRS 2 on Share-based payment, a total ESOS cost for share options that amounted to RM1,541,100 was charged to income statements for the current financial period of RM630,162.10

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

Individual Quarter	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
30 September 2021							
Total Revenue	112,261	11,089	8,550	428	-	(13,620)	118,708
Profit before tax	8,224	1,655	2,247	(798)	7,828	(10,649)	8,507

Individual Quarter	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
30 September 2020							
Total Revenue	113,570	6,248	1,380	3,680	-	(7,643)	117,235
Profit before tax	12,236	234	550	(431)	(5,021)	1,990	9,558

For the current quarter ended 30 September 2021, the Group reported a higher revenue as compared to the corresponding quarter of the previous year, mainly due to higher revenue contribution from Green Energy and Power Solution 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 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
30 September 2021							
Total Revenue	112,261	11,089	8,550	428	-	(13,620)	118,708
Profit before tax	8,224	1,655	2,247	(798)	7,828	(10,649)	8,507

Individual Quarter	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
30 June 2021							
Total Revenue	109,158	11,426	1,339	139	-	(5,607)	116,455
Profit before tax	9,426	841	752	(1,186)	164	(279)	9,718

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

The total revenue of RM118.7 million recorded for the current quarter was higher as compared to the revenue in the preceding quarter of RM116.4 million mainly due to higher revenue contribution from Telecommunication Network Services and Trading.

B3. Prospects

The COVID-19 pandemic has impacted global economies. OCK Group Berhad ("OCK" or the "Group") was also impacted from the slow down in Telecommunication Network Services jobs despite being categorise under essential services that was allowed to continue operations during the various movement control orders implemented by the Malaysian government. However with the Group's strong streams of recurring income, OCK pulled through steadily from a financial performance point of view.

Forward thinking companies such as OCK have already been planning ahead as we move away from this pandemic storm with the 5G related issues dominating the short term agenda.

OCK has been maintaining its optimism of the telecommunication industry's bright outlook over the years as the advancement of new technologies such as 5G need to be complemented by the support of increased telecommunication infrastructures.

5G

Malaysia continues to strive in the transition to 5G as establishment of infrastructures progresses. The government has announced various plans such as the national digital infrastructure plan or more commonly referred to by its abbreviation in Malay, *JENDELA*; with an expected RM21 billion budget to lay the foundation for the transition as well as investing a total of RM11 billion over 10 years for 5G implementation nationwide. Digital Nasional Bhd ("DNB") has appointed Ericsson (Malaysia) Sdn Bhd to design and build the national 5G network at a cost of RM11 billion. As the implementation of 5G makes further inroad, the demand for telecommunication sites is expected to gain momentum.

This is in line with DNB's plan to set up 500 sites for Phase 1 of the 5G programme covering Putrajaya, Cyberjaya and parts of Kuala Lumpur. Phase 1 targets to cover approximately 40% of the populated areas by end of 2022 and subsequently extended to cover 80% by end 2024.

OCK, as Malaysia's largest telecommunication network service provider, is involved in other 5G activities such as site installation and commissioning in Kuala Lumpur central, Putrajaya and Cyberjaya. This is in line with DNB's plan to set up 500 sites for Phase 1 of the 5G programme covering Putrajaya, Cyberjaya and parts of Kuala Lumpur. Phase 1 targets to cover approximately 40% of the populated areas by end of 2022 and subsequently extended to cover 80% by end 2024.

Under the *JENDELA* programme, the current 3G towers are being migrated to 4G as the former is to be retired by 31 December 2021 and concurrently enhance the current 4G network. New sites are also being added to improve 4G coverage in the rural areas. This is where OCK, being involved in the Telecommunication Network Services (TNS) business, will stand to benefit. We currently have an order book in excess of RM80 million.

B3. Prospects (Cont'd)

TOWERCO

For this business segment, a two-prong strategy is adopted to expand our existing telecommunication tower business both locally and regionally through organic and inorganic growth.

In Malaysia itself, OCK owns close to 530 telecommunication sites to date. Into the medium term, OCK will be heavily involved in the tower transition exercises for JENDELA and 5G developments, thus reinforcing OCK's towerco segment's outlook. With that said, the Group's recurring income from this segment will continue to grow.

As for the regional towerco business, OCK is the largest independent telecommunication towerco in Vietnam with over 2,700 telecommunication sites. The Group has a pipeline of targeted telecommunication sites to be acquired in 2021 as part of its brownfield expansion plans in Vietnam. The progress in Vietnam has been encouraging as, to date, OCK has acquired approximately 300 telecommunication sites and will continue to work towards meeting the Group's internal targets for 2021.

In Myanmar, OCK provides telecommunication infrastructure and resource supply services to its clients with a track record of completing and owning more than 1,100 telecommunication sites. The Group is aggressively building and acquiring more sites in this greenfield telecommunication market. The situation in Myanmar has normalised, with significant reductions in protests and OCK can continue to focus on the delivery of all orders in hand.

Moving forward, OCK will also explore telecommunication tower opportunities within the South-East Asia region.

MANAGED SERVICES

Majority of OCK's managed services business is in Indonesia and Malaysia.

To date, OCK has made significant advancements in Indonesia by increasing the managed services tower portfolio. OCK is already one of the largest independent managed services companies there with 49,000 telecommunication sites under management, which make up almost 50% of the total telco sites in Indonesia

In Malaysia, OCK manages approximately 5,300 telecommunication sites, equivalent to approximately 15% of the total telco sites in Malaysia

OCK will seek to increase its market share in Indonesia and Malaysia while exploring for other managed services related opportunities in the region.

B3. Prospects (Cont'd)

GREEN ENERGY SOLUTIONS

In line with the government's initiatives for the green renewable energy sector, the Group is enhancing its solar renewable energy segment via the acquisitions of solar farms to fortify its secondary recurring income stream. OCK is actively participating in the government's initiatives on large scale solar projects to expand its renewable energy footprint. As a turnkey solutions provider in the solar business, OCK is well equipped with engineering, procurement and construction capabilities to build as well as own solar farms.

One of OCK's aspirations is to reduce the carbon footprint as it continues to expand its businesses. The solar renewable energy segment provides OCK with the platform to do so, as well as build a secondary recurring income base via our solar farms through greenfield and brownfield opportunities.

OCK will continue to seek for new opportunities in Solar and continue to grow our Green Energy Business Segment via acquisitions, or joint ventures with State Governments as a means of expanding our Green Energy foot print.

To date, OCK owns 17 solar farms in Malaysia with a total capacity of 11.3MW.

M&E

In this segment, OCK will continue to focus on completing existing contracts.

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-21	30-Sep-20	30-Sep-21	30-Sep-20
	RM'000	RM'000	RM'000	RM'000
Taxation for the period	2,042	2,294	6,727	2,294
Deferred Tax	(44)	(833)	(1,393)	1,428
Total taxation	1,998	1,461	5,334	3,722

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

B6. Status of Corporate Proposal

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

B7. Group borrowings and debt securities

The Group's borrowings as at 30 September 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Term loans	206,242	-	206,242
Short term borrowings:-			
Overdraft	32,426	-	32,426
Bankers' acceptance	11,161	-	11,161
Revolving credit	10,268	-	10,268
Revolving project loan	49,346	-	49,346
Term loans	89,072	-	89,072
	192,273	-	192,273

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM224.6 million and RM2.3 million which are denominated in USD and IDR respectively.

B8. Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

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	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
Group's profit attributable to equity holders of the Company (RM'000)	5,000	6,531	19,100	19,510
Weighted average number of ordinary shares ('000)	1,054,457	958,573	1,054,457	958,573
Upon conversion of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	1,054,457	958,573	1,054,457	958,573
Earnings per share (sen):				
- Basic ^	0.47	0.68	1.81	2.04
- Diluted *	0.47	0.68	1.81	2.04

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.

* 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 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 period

	Quarter Ended		Year-To-Date Ended	
	30-Sep-21 RM'000	30-Sep-20 RM'000	30-Sep-21 RM'000	30-Sep-20 RM'000
Profit before tax is arrived at after charging/(crediting):	8,507	9,558	28,031	25,615
- depreciation and amortisation	45,415	21,647	66,653	62,747
- interest expenses	12,998	7,655	19,161	23,179
- interest income	(485)	(518)	(660)	(1,854)
- (gain)/loss on foreign exchange	270	1,804	(393)	552
- other income	(1,113)	(1,000)	(1,720)	(566)
- net gain on disposal of subsidiary company	(950)	-	(950)	-

B11. Dividend

No interim dividend has been proposed or declared for the current financial period ended 30 September 2021.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)

Company Secretary

Kuala Lumpur

Date: