



OCK GROUP BERHAD

201101027780 (955915-M)



2023 ANNUAL REPORT

FULL-FLEDGED NETWORK SERVICES PROVIDER

Telco Tower



Renewable



M&E Services



Myanmar Tower



Malaysia Tower



Vietnam Tower



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COMPANY PROFILE

OCK Group Berhad (“OCK” or the “Group”) has four major business divisions that drive our business, namely Telecommunication Network Services, Trading of Telco and Network Products, Green Energy and Power Solutions, as well as M&E Engineering Services.

OCK is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our service offering covers services from all the telecommunication network services market: network planning, design and optimisation, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services. As a Network Facilities Provider (“NFP”) Licensee, we are able to build, own and lease telecommunication towers and rooftop structures to the telecommunication operators in Malaysia.

With the Group’s expertise in the telecommunications business, the Group has expanded its regional footprint into Myanmar, Vietnam, Indonesia and Laos.

To date, OCK has a telecommunication tower portfolio of more than 5,500 telecommunication towers. The Group successfully penetrated into two high-growth telecommunication tower markets in Myanmar and Vietnam within a short period of 14 months.

Moving forward, the Group will remain vigilant despite the successes that it has achieved through the implementation of our regional plans. The Group will remain assertive in executing the next phase of business growth in its aspiration to be an independent ASEAN telecommunication tower company.

OCK also has a trading division that trades telecommunication hardware and equipment materials such as antennas, feeder cables and connectors. This business division complements the core business of the Group with other telecommunication network service providers and operators. OCK Group has also ventured into Green Energy and Power Solutions, rapidly increasing industry in Malaysia. Concurrently, we are active in the construction of solar farms, supplying power generation equipment for commercial, retail and factory buildings, and inclusive of installation, commissioning and testing services. M&E is one of the core businesses of OCK that provides mechanical and electrical services to housing development projects, commercial high-rise buildings, factories, infrastructures, airports, medical centres and hotels. We are capable of providing project management, supply and installation of most mechanical and electrical services.



VISION

To be a leading and innovative provider of Telecommunication Network Services and Green Renewable Energy

MISSION

Exceeding customer expectations through timely delivery of our value added solutions and services

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBHG. DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Non-Independent Non-Executive Chairman

ABDUL HALIM BIN ABDUL HAMID
Deputy Chairman

YBHG. DATUK WIRA OOI CHIN KHOON
Group Managing Director

LOW HOCK KEONG
Group Chief Executive Officer & Executive Director

CHANG TAN CHIN
Executive Director

OOI INN HUEI
Executive Director
(Appointed on 1 July 2023)

MAHATHIR BIN MAHZAN
Independent Non-Executive Director

REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM
Non-Independent
Non-Executive Director

LOW NGAI YUEN
Independent Non-Executive Director

ONG YEE LING @ SHARON
Independent Non-Executive Director

NUR SAFWAN BIN MOHAMED YUSUP
(Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)
Non-Independent
Non-Executive Director
(Appointed on 11 Jan 2024)

CHONG WAI YEW
Executive Director
(Resigned on 31 May 2023)

SAIRA BANU BINTI CHARA DIN
(Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)
Non-Independent
Non-Executive Director
(Resigned on 11 Jan 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson
Mahathir Bin Mahzan

Members
Low Ngai Yuen
Ong Yee Ling @ Sharon

NOMINATION COMMITTEE

Chairperson
Ong Yee Ling @ Sharon

Members
Mahathir Bin Mahzan
Low Ngai Yuen

REMUNERATION COMMITTEE

Chairperson
Low Ngai Yuen

Members
Mahathir Bin Mahzan
Ong Yee Ling @ Sharon

REGISTERED OFFICE/ CORPORATE OFFICE

No. 18, Jalan Jurunilai U1 /20
Seksyen U1, Hicom Glenmarie
Industrial Park, 40150 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (603) 5565 9688
Fax : (603) 5565 9699
Website : www.ock.com.my

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
& AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2297 1000
Fax : (603) 2282 9980

COMPANY SECRETARY

Wong Youn Kim
(MAICSA 7018778)
SSM Practising/ Certificate No.
201908000410

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Level 17, The Gardens
North Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (603) 2264 3883
Fax : (603) 2282 1886

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
[197601004668 (30632-P)]
Stock Name : OCK
Stock Code : 0172

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Bhd
[199401009721 (295400-W)]
12th Floor, Wisma Lee Rubber1
Jalan Melaka, 50100 Kuala Lumpur

United Overseas Bank (Malaysia) Bhd
[199301017069 (271809-K)]
Kuala Lumpur Main Branch
Menara UOB, Jalan Raja Laut
50350 Kuala Lumpur

Hong Leong Bank Berhad
[193401000023 (97141-X)]
KL Business Centre
Level 9, Menara Hong Leong
No.6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

Alliance Bank Malaysia Berhad
[198201008390 (88103-W)]
Menara Multi-Purpose, Capital Square,
No. 8, Jalan Munshi Abdullah,
50100 Kuala Lumpur

Malayan Banking Berhad
[196001000142 (3813-K)]
Level 37, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

RHB Bank Berhad
[196501000373 (6171-M)]
Jalan Kenanga, Lot LGF
019-021 Kenanga Wholesale City 28
Jalan Gelugor Off Jalan Kenanga
55800 Kuala Lumpur

Malaysia Debt Ventures Berhad
[200201010450 (578113-A)]
Level 5, Menara Bank
Pembangunan
1016, Jalan Sultan Ismail
50250 Kuala Lumpur

CORPORATE MILESTONES

2024

- Formed OCK Digital Sdn. Bhd. to provide digital solutions and products.
- Announced official annual dividend policy to pay out at least 20% of its consolidated normalised profit after taxation and minority interest.

2023

- Awarded a contract from the Ministry of Education for ICT solutions.
- Announced and completed the first tranche of Sukuk Murabahah amounting up to RM400.0 million with an oversubscription of 1.33 times.
- Awarded 1st place for the Eminent Eagles category at the Golden Eagle Award 2023.

2022

- Awarded additional projects to deliver 75 rooftop solar farm with total capacity of 3.2MW under the Net Energy Metering ("NEM") scheme.
- Awarded the Most Improved Performance Over 3 Years under the Market Cap Between RM300 Million and RM800 Million category by The Edge ESG Awards 2022.
- Awarded the Best Output Delivery State in the Network Eastern Region under Certified Network Contractor category by Telekom Malaysia.
- Signed a shareholders agreement with the Ministry of Finance in Laos.

2021

- Awarded project by Numix Sdn. Bhd.
- Awarded project to deliver 18 rooftop solar farms with a total capacity of 1.8MW in Kuala Terengganu under the NEM Scheme.
- Announced ESOS
- Proposed rights issue with warrants, involving 95.9 million shares with warrants.

2020

- Acquired 100% equity interest in Solar System & Power Sdn. Bhd.
- More than 4,300 telecommunication sites across Malaysia, Myanmar and Vietnam.
- 17 solar farms with a combined capacity of 11.3MW in Malaysia.
- Proposed rights issue with warrants, involving 122.26 million shares on the basis of one rights share for every 10 existing shares held and 122.26 million free detachable warrants on the basis of one warrant B for every one rights share subscribed.

2019

- Signed MOU with China Information Technology Designing & Consulting Institute Co. Ltd.
- Acquired 100% equity interest in Green Leadership Sdn. Bhd.
- Acquired 4 solar farms in Sabah.

2018

- More than 3,800 telecommunication sites across Malaysia, Myanmar and Vietnam.
- Bestowed the CIMB.
- Sin Chew Regional Excellence Award by Sin Chew Business Excellence Award 2018.
- Mr. Ooi Chin Khoo was presented the Best CEO Award by Focus Malaysia Best Under Billion Awards.
- Entered into a MoU with ISOC Infrastructures, INC., to pursue tower business opportunities in the Philippines.
- Secured built-to-suit and co-location contracts with all four Mobile Network Operators in Myanmar.
- Participated in the telecommunication industry in Nepal.
- Participated in regional telecommunication forums and conferences, keeping the Group up to date with the latest information and technology that is being used in the market.

2017

- Completion of the SPA for the 100% equity interest in Southeast Asia Telecommunications Holding Pte. Ltd. ("SEATH").
- Signed Master Lease Agreement with Mytel and MPT for colocation and new build site.
- Awarded Asia Most Impactful Service Award from Asia Success Inc. Group.
- Awarded a full turnkey contract from one of the mobile operators in Malaysia.

2015 - 2016

- Massive Connection was granted MSC status by MDEC.
- Rights Issue of 1 right share for every 2 existing shares, 1 free detachable warrants for every 1 right share subscribed.
- Secured 920 telecommunications towers contract from Telenor Myanmar.
- Relocation to New HQ at Shah Alam.
- Awarded NFP license Malaysia for OCK Telco Infra Sdn. Bhd..
- Completed 10% private placement.
- Signed conditional SPA for the acquisition of SEATH. Completed the acquisition in Jan 2017.

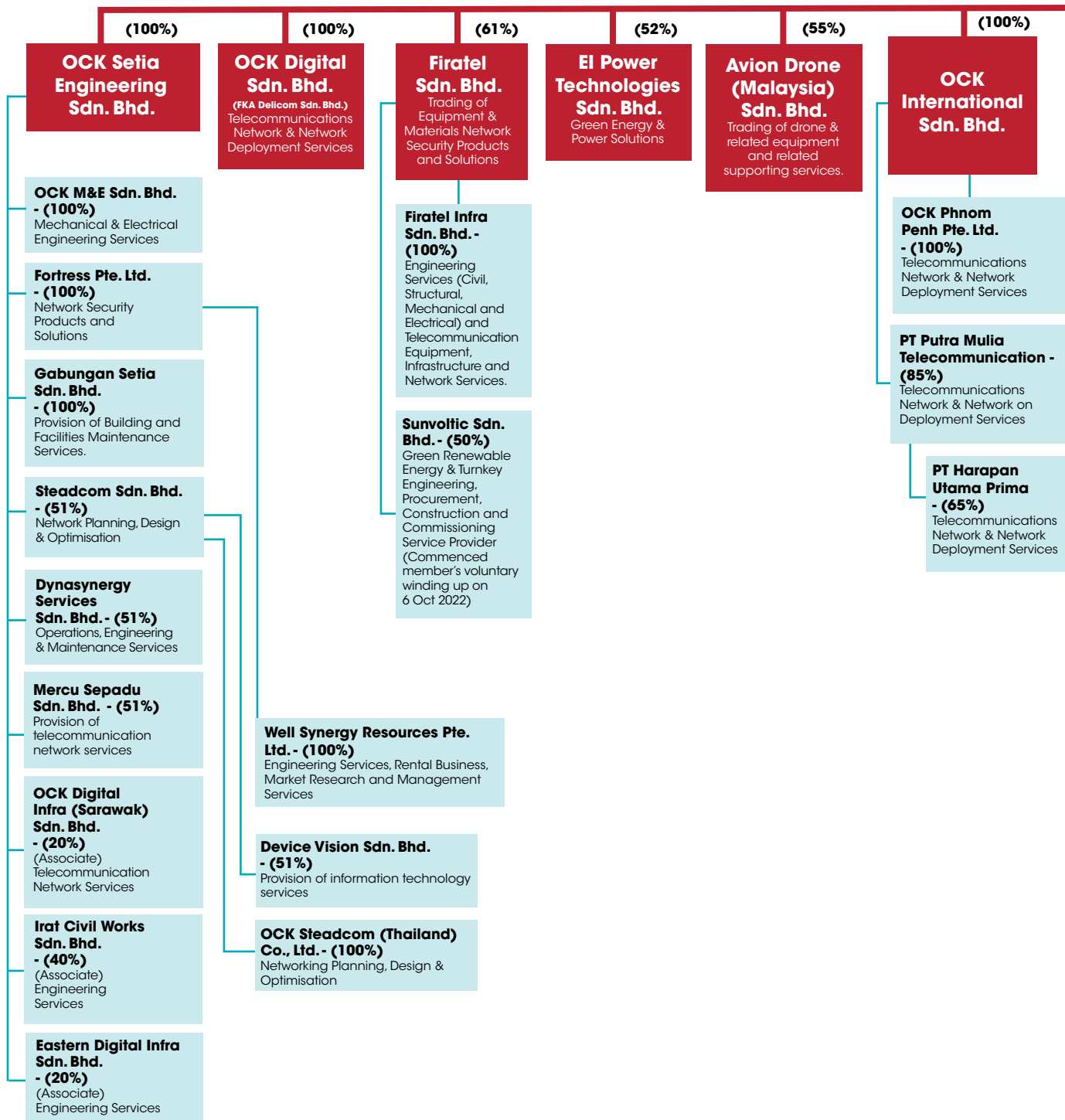
2012 - 2014

- Listed on the ACE Market of Bursa Malaysia Securities Berhad in Year 2012.
- Lembaga Tabung Angkatan Tentera ("LTAT") emerged as substantial shareholders with more than 15% stake.
- Launch of RM150 million SUKUK Programme for the expansion plan in the Telecommunication Network Services.
- Emerged as RHB's Top 5 Malaysia Small Cap Jewels.
- Private placement of 20% paid up share capital.
- Bonus Issue of 176,053,636 new shares on 1 for 2 basis.
- Completed 85% acquisition of PT Putra Mulia Telecommunications, Indonesia.
- Transfer of listing from the ACE Market to the Main Market of Bursa Malaysia Securities Bhd in 2014.

2000 - 2011

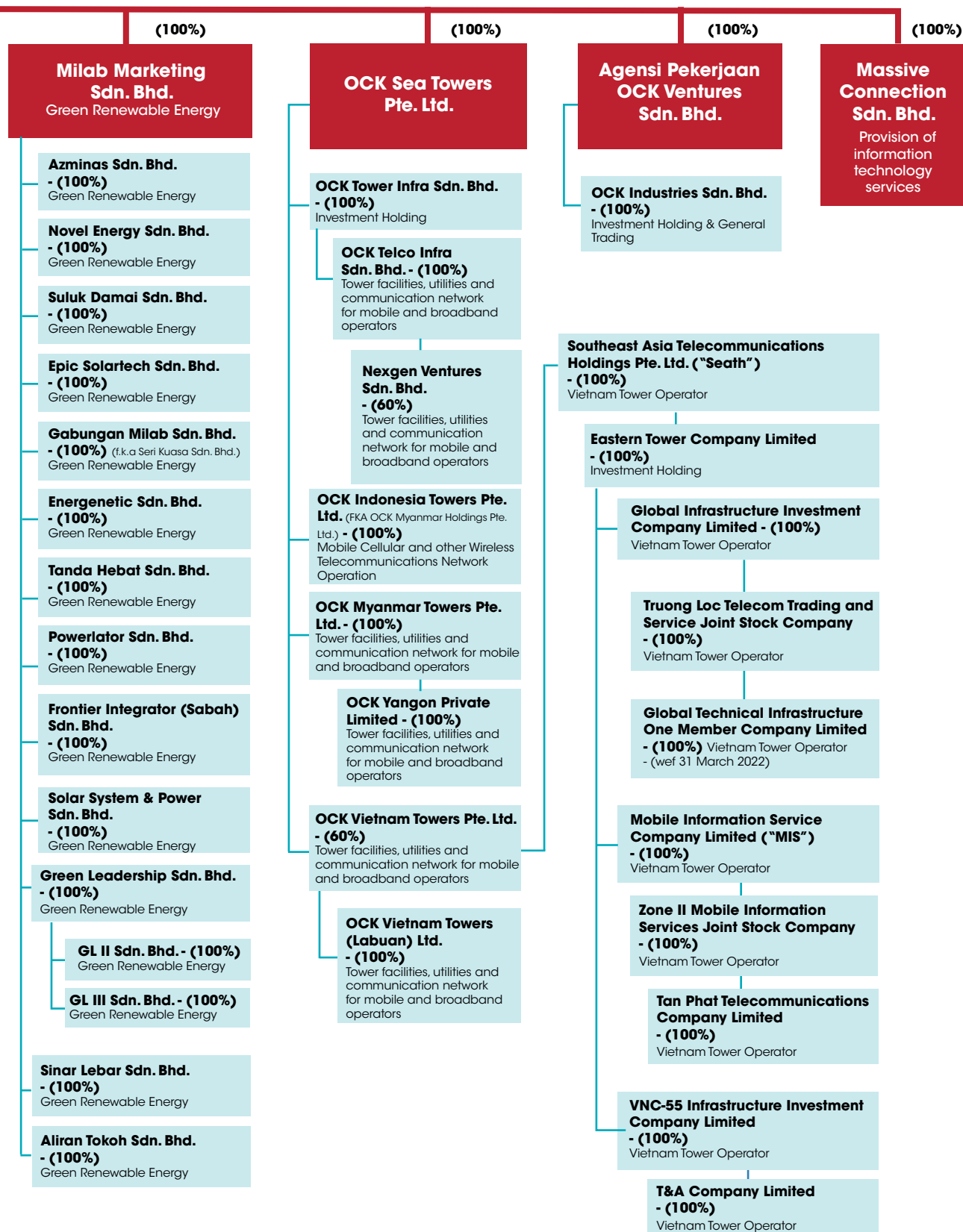
- Registered as Approved Service Provider ("ASP") with Ericsson and Alcatel-Lucent.
- OCK Setia Engineering Sdn. Bhd. was established.
- Inflow of contracts awarded by various cellular Telecommunication operators and Telecommunication equipment vendors.
- Awarded Network Facilities Provider ("NFP") license from MCMC to be a Tower Leasing Company.

CORPORATE STRUCTURE



Corporate Structure

(Cont'd)



FINANCIAL HIGHLIGHTS



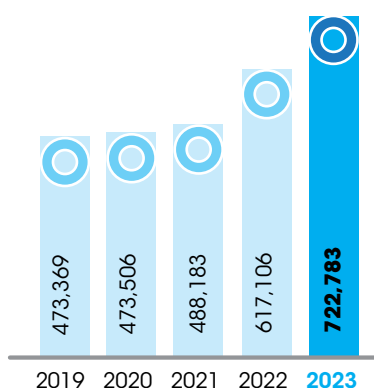
Financial Highlights

(Cont'd)

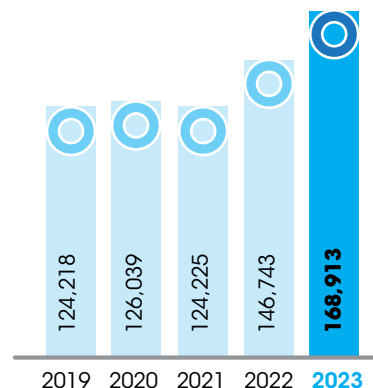
For Financial Year Ended 31 December		AUDITED 2019*	AUDITED 2020*	AUDITED 2021	AUDITED 2022	AUDITED 2023
Revenue	RM'000	473,369	473,506	488,183	617,106	722,783
Gross Profit	RM'000	124,218	126,039	124,225	146,743	168,913
Profit Before Taxation (PBT)	RM'000	40,089	36,165	38,023	48,439	56,976
Profit After Taxation (PAT)	RM'000	31,620	31,605	32,588	38,452	43,121
Profit For The Year Attributable To Equity Holders	RM'000	28,521	27,028	25,393	32,769	36,485
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	RM'000	143,988	154,918	155,911	187,159	208,493
GP Margin	%	26.24	26.62	25.45	23.78	23.37
PBT Margin	%	8.47	7.64	7.79	7.85	7.88
PAT Margin	%	6.68	6.67	6.68	6.23	5.97
EBITDA Margin	%	30.42	32.72	31.94	30.33	28.85
Basic Earnings Per Share	Sen	3.22	2.82	2.41	3.11	3.46

* Restated

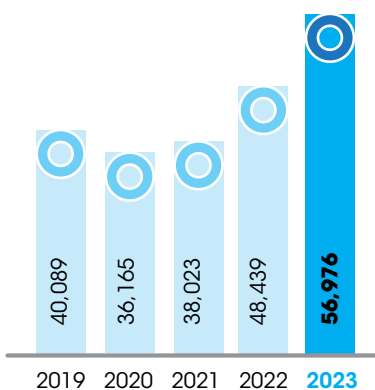
REVENUE
(RM'000)



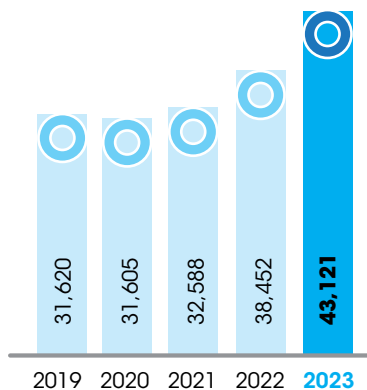
GROSS PROFIT
(RM'000)



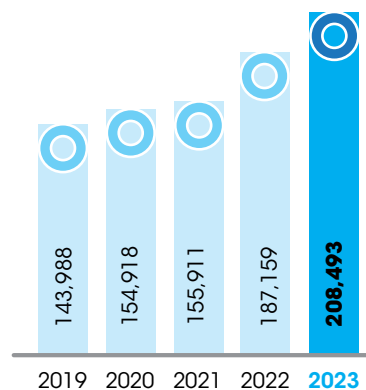
PROFIT BEFORE TAX
(RM'000)



PROFIT AFTER TAX
(RM'000)



EBITDA
(RM'000)





NEWS HIGHLIGHTS

当前估值过低

OCK 拟分拆电信业务上市

【本報訊】OCK Group Berhad 主席兼行政總裁陳國治日前表示，OCK 正考慮將旗下的电信业务分拆上市，以释放其潜在价值。他指出，电信业务是 OCK 的重要业务之一，但目前估值偏低，分拆上市将有助于提升其估值并吸引更多投资者。

陳國治在日前接受本報訪問時表示，OCK 的电信业务目前正處於快速發展階段，但由於其業務性質特殊，目前的估值未能充分反映其真實價值。他表示，OCK 正積極尋求合適的時機和方式，將該業務分拆上市，以實現其價值最大化。

他指出，OCK 的电信业务主要涉及 5G 網絡建設和運營，以及相關的數據服務。隨著 5G 技術的普及和應用場景的擴大，該業務的增長潛力巨大。然而，由於其業務模式較為複雜，目前的估值相對較低。

陳國治表示，OCK 將根據市場情況和監管要求，制定具體的分拆上市計劃。他強調，OCK 將始終致力於提升股東價值，並為股東提供長期的回報。

DWN 有利電信業

【本報訊】DWN 有利電信業，OCK 集團正積極尋求合適的時機和方式，將該業務分拆上市，以實現其價值最大化。他指出，OCK 的电信业务目前正處於快速發展階段，但由於其業務性質特殊，目前的估值未能充分反映其真實價值。

政府支持太陽能業者

【本報訊】政府支持太陽能業者，OCK 集團正積極尋求合適的時機和方式，將該業務分拆上市，以實現其價值最大化。他指出，OCK 的电信业务目前正處於快速發展階段，但由於其業務性質特殊，目前的估值未能充分反映其真實價值。

Dual 5G network model a positive for OCK

PETALING JAYA: The government's plan to build a dual 5G network model could be positive for OCK Group Berhad, according to RHB Research.

The research firm said it sees the group benefiting from new 5G site deployment and co-location with a second 5G network set to be deployed in 2023.

"The strengthening narrative on building coverage should also positively position OCK having undertaken its building subcontract work for Digital National and rural operators," said RHB Research in a report prepared.

It noted that OCK had an increasing stock price of over RM100.

This comprised largely of joint-venture projects representing 11 years of the contract of its 5G network expansion in the financial year 2022.

Meanwhile, the group is also looking at enhancing its 5G-A network which promises significant interest and savings from 5G-A network.

"The group is looking to enhance its

5G-A network with a robust facility which should lower OCK's cost going forward and mitigate foreign exchange risk.

"The RM100-based debt along to be books as of first quarter 2023 (100% around 20% to 100% debt), said RHB Research.

It estimates interest savings of around RM100 based on year-end based on the current cost of 10 dollar debt at 5%.

This is significant relative to the group's financing cost of over RM100 per year.

The new debt facility also offers lower rates for other types of services, which OCK has included in and is now working capital needs, added the research firm.

RHB Research said although the debt request makes up less than 5% of group revenue, it offers increasing revenue with earnings before interest and tax, depreciation and amortisation, margin to more of 30%.

It noted that OCK had submitted a bid for a 30 megawatt solar farm under the Corporate Green Power Programme (CGPP) with a virtual power purchase agreement that struck with a contract to offset.

"If successful, this would add to the existing other future revenues, which are positioned on the build-to-suit and sell serving services."

"We see the CGPP as an attractive option for companies to generate renewable energy credits to offset their carbon footprint," said RHB Research.

As for its venture in Laos, RHB Research said that documents were on going with a local utility for the deployment of 5G sites in Vientiane.

RHB said that OCK was the first foreign company to be awarded an independent license by the Lao government.

This came with the signing of a joint venture agreement with the Lao PDR Ministry in October 2022.

"It would adopt a similar model as with the Myanmar revenue with significant capital expenditure and the site eventually leased to return via long-term lease agreements," added RHB Research.

OCK founder looking at restructuring, charting new direction to enhance group's value

PETALING JAYA: OCK Group Berhad, one of the country's largest telecommunications infrastructure service providers, is looking to restructure its business to enhance its value and chart a new direction to enhance the group's value.

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Large order book poised to lift OCK's earnings

PETALING JAYA: Strong earnings growth for OCK Group Berhad is expected for financial year 2023 (FY23), supported by its large order book and new 5G site deployment.

It can also expect resilient earnings with more than 30% of revenue and about 70% earnings before interest tax depreciation and amortisation (EBITDA) from its regional markets.

RHB Research lifted its FY23 to FY24 core earnings projections by 1% and 5%, mainly due to its strong revenue growth and margin expansion.

It said FY23 forecast had been introduced and its target price is lifted slightly after cutting forward to last year to FY24. The research house maintains its "buy" call

with a target price of at least one per share.

OCK has an outstanding order book of over RM100m. It has exposure to the strong growth within the data centre (DC) space.

That comes as National Digital Infrastructure Plan (NDIP) project projects valued at about RM100m, other construction and ancillary works from mobile operators will drive revenue.

OCK is also capitalising on the growing trend of hyperscale DC developments in the country, with project value set at 5% in FY23.

It said the group's restructuring revenue gained a strong rebound in FY22 after 40% performance FY22, which OCK, driven by projects related to Phase 1 of

the Jendela initiative.

Revenue from the "laying of fibre optic" surged 10% over six-year cumulative rising works by Tenaga Nasional Bhd fuelled the four-fold rise in maintenance and engineering services revenue.

OCK's management is against an further contract and project value to the subsequent quarters with the government targeting to spend the 5G population coverage target of 90% by end 2023 from 70% in 2022.

This implies about 1,000 additional sites needed over the next 12 months.

It adds that the group's site leasing business contributed 20% and 10% of group revenue and EBITDA in FY22.

Malaysia's network QoS was the major

growth of 22% year-on-year as revenue rose from 1.2 to 1.4, supported by new 5G towers from Digital Nasional Bhd.

It follows the network expansion clearing study growth on the back of the national build-to-suit sites in Malaysia for 5G-A (5G) sites, announced via open tender in Vietnam (a total of 500 to 1,000 sites in FY23), subcontracting some foreign on-site labour.

Having secured the license, OCK is in discussions with mobile operators on how to build and use the sites with project models. It is also in place in the second half of 2023.

RHB Research's also cited risks as delays in project execution and weaker-than-expected margins and margins.

Upbeat outlook on OCK Group this year

PETALING JAYA: The outlook moving further into 2023 appears bright for OCK Group Berhad, says Kenanga Research.

This will be underpinned by positive factors, including being well positioned to benefit from the Jendela initiative, as well as the 5G rollout domestically and in other Asian markets.

According to Kenanga Research, the telecommunications network services provider is also looking at tremendous growth opportunities in the telco infrastructure space both at home and abroad, especially in the underserved areas.

Based on a recent OCK post-results briefing, the research house said the group is

expecting new orders from Malaysia and its regional markets, comprising of contracts worth RM200m under the Jendela 2 initiative on fibreisation of 4G sites, mostly in Sabah and Sarawak, and preparation works for 70 5G sites in Malaysia on top of an additional 70 towers in Myanmar.

"For the financial year ended Dec 31, OCK met its target of rolling out 100 new towers and its current order book stands at RM350m, mostly in Malaysia," noted Kenanga Research.

Apart from building and leasing towers, the group is also looking at acquiring more towers in Vietnam, in addition to its existing 3,500 towers.

In addition, OCK had also received its Lantion tower communication licence in January 2023.

Business operations are expected to commence in the second half of the year on a "build to suit" or "build to lease" basis.

On the local front, the research house said OCK is expecting the full 5G rollout to last for another three to four years, which would also require the building or upgrading of 8,000 to 10,000 sites, with 3,500 of these sites having been ordered by Digital Nasional Bhd in the initial phase.

Kenanga Research has an "outperform" call on the stock with a target price of 69 sen.

News Highlights (Cont'd)

OCK a good proxy play to dual 5G network model

KUALA LUMPUR Analysts at RHB Investment Bank Ltd (RHB) believe that OCK Group Bhd (OCK) will remain a good proxy play to the government's push to a dual 5G network model.

In a well-researched report, RHB Investment Bank Ltd (RHB) stated that OCK's involvement in the dual 5G network model is a key factor in its valuation. The report also highlighted OCK's strong financial performance and its strategic position in the telecommunications sector.

The strengthening narrative on building coverage should also contribute positively with OCK having undertaken its building sub-contract works for the National Broadband Network (NBN) and other projects.

The research team also pointed out that OCK's current outstanding orderbook of under RM100 million is a testament to the strength of its business and its ability to secure contracts in the telecommunications sector.

Beyond Malaysia's borders, OCK has also been successful in securing contracts in other markets, particularly in the Middle East and Africa.



RHB Investment Bank Ltd (RHB) believes that OCK will remain a good proxy play to the government's push to a dual 5G network model. — iStock by Getty Images

明年推雙5G網絡 OCK料受惠

(吉隆坡 21 日讯) 政府将在明年转向双5G网络模式，分析员看好OCK集团 (OCK, 0172, 主板电讯媒体组) 将从中受惠。

此外，该公司正考虑再融资美元债务，估计可从2024财年起大幅节省利息。

兴业研究在报告中指出，政府计划在2024年推出第二个5G网络，OCK集团将可受惠于新5G站点部署。

兴业补充，该公司手上合约订单达3亿令吉，相等于2022年的电讯网络服务业务的营收的1.1倍，其中有2亿令吉来自国家数字网络 (JENDELA) 项目。

兴业表示，该公司计划采用伊斯兰便利以重新融资美元债务，将可减轻利息成本和外汇波动风险。截至2023年首季，该公司的5亿7400万令吉债务中，51%是美元计价。

该行估计，根据美元债务的成本超过8%，将每年节省1400万令吉至1500万令吉利息，和该集团的每年融资成本超过3000万令吉相比将极为显著。

分析员维持该股“买进”评级，目标价为60仙。

OCK plans RM700m sukuk to fuel 5G expansion

OCK Group Bhd, Malaysia's largest telecommunications network solutions provider, has announced its plan to raise up to RM700 million through the issuance of Sukuk Murabahah as part of its Islamic medium-term notes programme.

The funds raised from the programme will be used for financing general working capital, capital expenditure and the restructuring of existing borrowings, among other general corporate purposes.

This issuance is expected to have a tenure of 30 years from the date of the first issuance.

The first tranche of Sukuk Murabahah, amounting to RM400 million, has been assigned a preliminary credit rating of AA- by MARC Ratings Bhd.

United Overseas Bank (M) Bhd is acting as the principal advisor, lead arranger and the lead

manager for the programme.

In a statement, OCK group MD Datuk Sam Ooi Chin Khoo said given the nature of OCK's business in owning tower portfolio assets, the group has always been actively managing its exposure in terms of its borrowings.

"Bearing that in mind, we believe that the issuance of our Sukuk Murabahah strategically aligns with our long-term goals as it will enable us to further pare down our existing borrowings through the restructuring of our loans, especially our US dollar borrowings," he added.

Moreover, he said the exercise will provide additional working capital for taking on larger capital expenditure projects and initiating new projects.

The move positions OCK to capitalise on potential opportunities in the evolving landscape of the 5G rollout.



The move positions OCK to capitalise on potential opportunities in the evolving landscape of the 5G rollout, Ooi says.

OCK集團獲4873萬政府合約

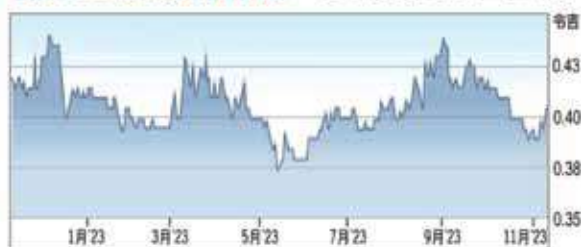
(吉隆坡 8 日讯) OCK 集团 (OCK, 0172, 主板电讯媒体组) 获得教育部授予 ICT 硬件租赁合同，价值 4873 万零 110 令吉。

OCK 集团今日宣布，其子公司 OCK Setia Engineering 私人有限公司在 10 月 25 日收到大马教育部的接受函，批准该公司租赁环保资讯工艺科技 (ICT) 硬件，

以符合学校的电脑实验室第三期教学和学习和绿化需求。

根据文告，该合约期限为 65 个月，即 2023 年 10 月 26 日至 2029 年 3 月 25 日，包括 4 个月的供货、安装、测试和硬件测试，60 个月的笔记本电脑租赁期，以及 1 个月的归还期。

獲4900萬政府合約 OCK集團鞏固盈利



券商：肯纳格投研研究
投资建议：跑赢大市
目标价：73仙
现价：40仙 (截至11月9日)
每股收益：5.4仙 (2024财年估计)
本益比：7.4倍 (2024财年估计)
ESG评级：3星 (满分5星)



OCK集团 (OCK, 0172, 主要板通讯与媒体) 获教育部颁发价值4900万令吉，此合约料为公司带来经常性收入，并分别贡献2023和2024财年的盈利1%和4%。

该公司获教育部授予 ICT 硬件租赁合同，以符合学校的电脑实验室第三期教学和绿化需求，合约有效期限为65个月。

上述合约符合肯纳格投研研究全年预期，即在2023和2024财年取得1800万至1900万令吉的营业额。

“除了将带来经常性收入，更重要的是，OCK集团透过这份合约提供环保 ICT 硬件，可惠及砂拉越的学生社区，进一步提升该公司在环境、社会和治理 (ESG) 方面的质量。”

整体而言，看好OCK集团可在大马和东协的5G推广计划中受惠，而且具有强劲的盈利前景，未来也有望拓展至新的区域市场。

News Highlights (Cont'd)

kenanga 肯纳格投行研究

OCK 集团
新合约带来经常收入

目标价：73 仙

最新进展 OCK 集团 (OCK, 0172, 主板电信和媒体股) 旗下子公司, 于 10 月 25 日接获教育部长 OCK 集团续签绿色信息通讯技术建设, 进行教学用途, 合约价值为 487.3 万 110 令吉。

这些设施将会用于砂拉越学校电脑室, 合约为期 65 个月, 从 2023 年 10 月 26 日起, 至 2029 年 3 月 25 日。

行家建议 我们对 OCK 集团获得新合约, 保持积极正面的态度, 并且符合我们对该公司 2023 和 2024 财年预期每年收入总计 1800 万至 1900 万令吉的预期。

我们预计, 这新合约将在今年财年, 为集团盈利贡献约 1.5 和 4%。

我们相信, 这新合约能为该集团带来经常性收入, 并且

OCK集团放眼再创佳绩

首次参赛晋“超级”

OCK集团 (OCK, 0172, 主板电信和媒体股) 宣布, 其旗下子公司 OCK 集团 (OCK, 0172) 荣获“超级”奖。

OCK集团表示, 此次获奖是对其在过去一年内, 在业务拓展、技术创新、客户服务等方面所取得成就的认可。集团将继续努力, 为股东创造更多价值。

OCK集团表示, 此次获奖是对其在过去一年内, 在业务拓展、技术创新、客户服务等方面所取得成就的认可。集团将继续努力, 为股东创造更多价值。

OCK's RM400 mln sukuk programme oversubscribed by 1.33 times

KUALA LUMPUR: OCK Group Bhd's first tranche of Sukuk Murabahah worth RM400 million has been oversubscribed by 1.33 times.

It said the issuance is under its RM700 million Sukuk Murabahah programme and accredited with a credit rating of AA- by MARC Ratings Bhd.

In a statement yesterday, OCK said that under this first tranche, the profit rate for the RM100 million portion maturing in five years was priced at 5.21 per cent while the other seven-year RM300 million portion was priced at 5.38 per cent.

"The proceeds raised will be channelled towards restructuring the group's foreign currency-denominated borrowings, thus allowing for significant interest savings and alleviating the strain on foreign exchange rate fluctuations.

"This will also provide OCK with additional capital to strategically undertake new projects, further strengthening its presence and foothold within the telecommunication segment," the telecommunications network solutions provider said — Bernama

First tranche of OCK sukuk murabahah oversubscribed 1.33 times

PETALING JAYA: OCK Group Bhd, Malaysia's largest telecommunications network solutions provider, has issued the first tranche worth RM400 million under its RM700 million Sukuk Murabahah programme with an oversubscription rate of 1.33 times.

The sukuk programme has been accredited with a credit rating of AA- by MARC Ratings Bhd.

Under the first tranche, a profit rate, for a RM100 million portion maturing in five years, has been priced at 5.21% while the other seven-year RM300 million portion has been priced at 5.38%.

The proceeds raised will be channelled towards restructuring the group's foreign currency-denominated borrowings, thus allowing for significant interest savings and alleviating the strain on foreign exchange rate fluctuations. This will also provide OCK with additional capital to strategically undertake new projects, further strengthening its presence and foothold within the telecommunication segment.

南洋
南華早報

OCK集团制定20%股息政策
2024年12月28日

【吉隆坡28日讯】OCK集团 (OCK, 0172, 主板电信和媒体股) 宣布, 制定20%的股息政策, 回馈股东。

集团表示, 此次制定股息政策, 是集团长期发展计划的一部分, 旨在为股东提供稳定的回报, 同时保持集团的财务健康和可持续发展。

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EVENT HIGHLIGHTS



Event Highlights (Cont'd)



BOARD OF DIRECTORS



From Left to Right:

- | | | |
|--|---|--|
| <ul style="list-style-type: none">● Chang Tan Chin
Executive Director● Ong Yee Ling @ Sharon
Independent
Non-Executive Director● Rear Admiral (R) Dato' Mohd Som Bin Ibrahim
Non-Independent
Non-Executive Director | <ul style="list-style-type: none">● YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Non-Independent
Non-Executive Chairman● Mahathir Bin Mahzan
Independent Non-Executive
Director● Ooi Inn Huei
Executive Director | <ul style="list-style-type: none">● YBhg. Datuk Wira Ooi Chin Khoon
Group Managing Director● Abdul Halim Bin Abdul Hamid
Deputy Chairman● Low Ngai Yuen
Independent Non-Executive Director● Low Hock Keong
Group Chief Executive Officer
& Executive Director |
|--|---|--|

BOARD OF DIRECTORS' PROFILE

YBHG. DATO' INDERA SYED

NORULZAMAN

BIN SYED KAMARULZAMAN

Non-Independent Non-Executive Chairman

Malaysian

Aged 75

Male

(Appointed on 3 January 2013)

YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman is our Non-Independent Non-Executive Chairman. YBhg. Dato' Indera Syed Norulzaman holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

Upon graduation from the University of Malaya, YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman joined the Administrative and Diplomatic Service of the Malaysian Government in 1973 and was assigned to the Ministry of Foreign Affairs. YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman served in different capacities in the Ministry's Political and Administration divisions as well as in Malaysia's diplomatic missions in Geneva, Baghdad, Ottawa and Jakarta. In September 1994, YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman was appointed as Malaysia's Ambassador to Spain where he served for 3 years. On returning to Kuala Lumpur in November 1997, he assumed the post of Undersecretary for East-Asia and South-Asia at the Ministry of Foreign Affairs, prior to his appointment to head the Institute of Diplomacy and Foreign Relations, Prime Minister's Department, as its Director General in June 1999. He returned to the Ministry of Foreign Affairs in November 2001 before his appointment as Malaysia's Ambassador to the Kingdom of Thailand, a position he held until January 2005. He was subsequently appointed as Malaysia's Ambassador to the People's Republic of China, based in Beijing where he served for 5 years till December 2009 before returning to Malaysia to retire from government service.

Upon his return to Malaysia, YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman was appointed as Public Interest Director at the Federation of Investment Managers Malaysia ("FIMM") and Advisor (China Business) at IJM Corporation Berhad. He is currently the Chairman of Yong Tai Berhad, Pelikan International Corporation Berhad and Mah Sing Foundation.

Number of Board Meetings attended during the financial year: 5 out of 5.



Board of Directors' Profile (Cont'd)



ABDUL HALIM BIN ABDUL HAMID
Deputy Chairman

Malaysian

Aged: 57

Male

(Appointed on 31 October 2011)

Abdul Halim Bin Abdul Hamid is our Group Deputy Chairman. Encik Halim completed his secondary education at Sekolah Menengah Tuanku Abdul Rahman Putra, Selangor in 1985.

Encik Halim has more than 20 years' experience in the telecommunications engineering services industry. Prior to his venture into the telecommunications industry, he commenced his business ventures in the food and beverage sector by offering local cuisine in various locations in the state of Selangor, such as food courts and school canteens from 1986 to 1991.

Encik Halim started his career in the telecommunications industry as a supervisor with Mognas Communication Sdn. Bhd. ("Mognas"). Mognas was one of the pioneering network deployment companies in Malaysia in the 1990s. He subsequently moved to Rank Liberty Sdn. Bhd. in 1996 as a Senior Supervisor before joining Prospective Goals Sdn. Bhd. as its Project Manager in 1997. Accordingly, Encik Halim is also one of the pioneers who contributed in the telecommunications industry whereby he had contributed in terms of introducing various kinds of telecommunication structures and equipment in Malaysia. In 2007, Encik Halim acquired shares in the Group's subsidiary companies, namely OCK Setia Engineering Sdn. Bhd. and Delicom Sdn. Bhd. Since then, Encik Halim progressively develops his contribution in OCK by overseeing the day to day technical aspect of OCK.

He is also an Executive Director for OCK Group of Companies as well as Safety Health and Environment committee to ensure OCK's daily activities conform to related regulations. He also assists OCK in dealing with Government bodies.

Number of Board Meetings attended during the financial year: 5 out of 5.



YBHG. DATUK WIRA OOI CHIN KHOON
Group Managing Director

Malaysian

Aged: 56

Male

(Appointed on 31 October 2011)

YBhg. Datuk Wira Ooi Chin Khoo was appointed the Group Managing Director on 31 October 2011.

YBhg. Datuk Wira Ooi Chin Khoo holds a Bachelor's Degree in Electrical and Electronics Engineering from Tri-State University, now known as Trine University, Indiana, United States of America, in 1996. Prior to that, he obtained a Diploma in Electrical and Electronic Engineering from TAFE College in Negeri Sembilan in 1992.

YBhg. Datuk Wira Ooi Chin Khoo began his professional journey in 1992 as an electrical engineer at Cobrain Holdings Sdn. Bhd., progressing to the role of Project Manager in 1994. After a hiatus to pursue further studies in electrical and electronic engineering, he rejoined the company in 1996 as a Senior Project Manager and was promoted to the position of Contract Manager in 1998. In 1999, YBhg. Datuk Wira Ooi Chin Khoo established OCK Setia Engineering Services as a sole proprietorship, subsequently expanding its scope with the incorporation of OCK Setia Engineering Sdn. Bhd. ("OCK Setia") in 2000. Currently, YBhg. Datuk Wira Ooi Chin Khoo is the Managing Director within our Group and is responsible in formulating and executing the business strategies of our Group. He plays a pivotal role in steering the growth, development, transformation, and strategic direction of our Group.

Apart from that, YBhg. Datuk Wira Ooi Chin Khoo has been accredited with several awards and achievements in recognition of his success and contributions throughout the years. Notable awards such as the Best Chief Executive Officer Award at the Best Under Billion Award 2018 organised by Focus Malaysia and Best Chief Executive Officer for Investor Relations (Small Cap) in conjunction with Malaysia Investor Relations Associations Berhad's Investor Relations Awards 2021 as well as being conferred Datuk Wira by Yang di-Pertua Negeri of Melaka in 2023.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board of Directors' Profile

(Cont'd)



LOW HOCK KEONG

Group Chief Executive Officer & Executive Director

Malaysian

Aged: 53

Male

(Appointed on 31 October 2011)

Low Hock Keong is also our Group Chief Executive Officer & Executive Director. In 1994, Mr. Low graduated from Monash University, Melbourne, Australia with First Class Honours in his Bachelor's Degree of Electrical and Computing. In 1997, he completed his Master of Engineering Science from University of Malaya.

Mr. Low began his career with Mutiara Telecommunication Sdn. Bhd., now known as DiGi, as a Transmission Engineer in 1995. After two (2) years, he joined Andersen Consulting Sdn. Bhd., now known as Accenture Solutions Sdn. Bhd. as an analyst focusing on Software System Development and Telecommunications. In 1999, Mr. Low joined Alcatel Network System (M) Sdn. Bhd., now known as Nokia, as a Radio Frequency Planning and Optimisation Engineer. He was later promoted to the position of Regional Radio Frequency Manager before he took up the role to head and lead the Radio Planning and Optimisation team that supports various projects in the region. In 2006, Mr. Low joined the group as our General Manager.

In 2017, he was redesignated as the Group Chief Executive Officer and is responsible for overseeing the Group's overall daily operations.

Number of Board Meetings attended during the financial year: 5 out of 5.



CHANG TAN CHIN

Executive Director

Malaysian

Aged: 56

Male

(Appointed on 31 October 2011)

Chang Tan Chin is our Group Technical Director. Mr. Chang graduated from University of Hertfordshire, United Kingdom in 1995 with a Bachelor's Degree in Electrical and Electronic Engineering. In 2000, he became a member of the Institution of Engineers Malaysia. In the same year, he was a recognised Professional Engineer by Board of Engineers in Malaysia.

Mr. Chang started his career with Perunding KDI Sdn. Bhd. as an Electrical Engineer after graduating in 1995. In 1997, he joined Technic Delta M&E Engineering Sdn. Bhd. as an Electrical Engineer before joining Transframe Sdn. Bhd. as Project Manager in 1998. In 2003, he joined SRL Electrical Engineering Sdn. Bhd. as its Project Manager prior to accepting the position of Technical Director at OCK M&E Sdn. Bhd. In 2005 where he monitors the overall project planning and implementation, manages procurement planning and delivery and project cash flow projections. He is currently the head of our M&E division and also head of 150 staffs to monitor all projects QA and QC requirements and standards.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board of Directors' Profile (Cont'd)



OOI INN HUEI
Executive Director

Malaysian

Aged: 28

Male

(Appointed on 1 July 2023)

Mr. Ooi Inn Huei is an organised and effective project manager with 3 years of experience in managing various telecommunication engineering projects. He is adept at collaborating with diverse cross-functional teams to technical design solutions, driving continuous improvement and leading end-to-end change management.

Mr Ooi has been working as a Project Manager at OCK Setia Engineering Sdn. Bhd., one of the Company's subsidiaries, since January 2021. He is responsible for leading the implementation of outside fiber engineering, which encompasses sourcing, permitting, costing, and construction of the project. His major accomplishments include successfully setting up an in-house team and managing them to assist in the project roll-up. Additionally, he performs comprehensive analysis of the costing to assess the profitability of projects.

From June 2018 to December 2020, Mr Ooi worked as an Associate at Imejjiwa Communication Sdn Bhd. In this role, he was responsible for assisting the managers in their daily tasks, which included preparing presentation slides and engaging in public relations with various clients. One of his major accomplishments during this time was assisting in the successful initial public offering (IPO) for MR. D.I.Y Group Berhad. Currently, he is also one of the Group's Project Management Directors. Mr. Ooi graduated from Melbourne University, Australia with a Bachelor of Commerce in Property Management.

Number of Board Meetings attended during the financial year:
2 out of 5.



MAHATHIR BIN MAHZAN
Independent Non-Executive Director

Malaysian

Aged: 46

Male

(Appointed on 25 November 2015)

Mahathir Bin Mahzan is a Fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland) and a member of the Malaysian Institute of Accountants ("MIA"). He is also registered as an ASEAN Chartered Professional Accountant (ASEAN CPA).

Mr. Mahathir graduated with honours from University College London with a Bachelor's of Engineering Degree in the field of Electronic and Electrical Engineering. He then pursued his accountancy training with a medium sized audit firm in Dublin, Ireland. After successful completion of his professional examinations and practical training, he was admitted as a member of Chartered Accountants Ireland.

Mr. Mahathir returned to Malaysia after spending 15 years in the United Kingdom and Ireland and worked for Binafikir, a local strategic advisory firm and a subsidiary company of Maybank Investment Bank.

Mr. Mahathir is currently the Managing Partner of Mahzan Sulaiman PLT, a firm of Chartered Accountants and Advisors.

Throughout his professional career, Mr. Mahathir has accumulated significant experience in areas of audit, accounting, tax, corporate finance and investor relations.

Mr. Mahathir is the Chairman of the Audit and Risk Management Committee of the Company.

Number of Board Meetings attended during the financial year:
5 out of 5.

Board of Directors' Profile

(Cont'd)



REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM
Non-Independent Non-Executive Director

Malaysian

Aged: 70

Male

(Appointed on 9 December 2013)

Rear Admiral Dato' Mohd Som Bin Ibrahim ("RAdm Dato' Mohd Som") began his career in the Royal Malaysia Navy ("RMN") as a Cadet Officer in September 1973. He received his Naval Training in the Britannia Royal Naval College Dartmouth, United Kingdom ("UK") in 1974 and was commissioned as a Sub-Lieutenant in January 1977. Eventually he became a specialist in Navigation in 1980 in the UK. As he rose in his naval career, RAdm Dato' Mohd Som continued to attend many professional courses both local and overseas.

With more than 37 years of service, RAdm Dato' Mohd Som served on board many ships and shore jobs. He commanded 5 RMN warships from 1981-2004, including the 4400 tons Multirole Support ship KD MAHAWANGSA.

Besides the sea service, he also held several shore appointments in the Malaysian Armed Forces. Among the notable ones are as Assistant Defense Advisor Embassy of Malaysia in Jakarta (1990-1993), Director of Operations (1998-2002) and as Deputy Head of Mission to the Malaysia Lead International Monitoring Team in Mindanao (2006). RAdm Dato' Mohd Som held the post of Assistant Chief of Staff Communications and Electronics of the Armed Forces in 2007. Before his retirement in February 2011, he was appointed as The Naval Region Commander Area 1, based in Tanjung Gelang, Kuantan. In this capacity, he was involved in many inter agency cooperation maritime security and communications market of South East Asia countries.

Number of Board Meetings attended during the financial year: 5 out of 5.



LOW NGAI YUEN
Independent Non-Executive Director

Malaysian

Aged: 48

Female

(Appointed on 11 May 2021)

Low Ngai Yuen is currently a member of the Audit and Risk Management Committee, a member of the Nomination Committee and the Chairman of the Remuneration Committee. Since 1 November 2018, Ms Low has also been appointed as an independent director of GDEX Berhad, an express delivery and logistics services company. She is also the Group Chief Merchandise and Marketing Officer at AEON Co (M) Berhad, an innovative retailer.

During Miss Low's earlier career with the French multinational retailer Carrefour Malaysia & Singapore, she was instrumental in developing the traditional mom-and-pop stores for modern retail for the Program Transformasi Kedai Runcit. To date, Miss Low is still heavily involved in agendas towards improving blended learning and fairer access to technology, being involved in many a city-liveability and placemaking initiatives that are citizen-initiated. A passionate activist, she is the President of the 23 years old Persatuan Kakiseni that champions the arts and its advocacy; and in 2013 founded Pertubuhan Pembangunan Kendiri Wanita Dan Gadis, WOMENgirls; an NGO dedicated to program interventions to remind women as role models to younger girls to achieve their potentials. Additionally, Miss Low is the founding member who then led as the Executive Director from 2016 to 2021 of Global Entrepreneurship Movement Association, GEMA that is about enabling tech transfer, bridging the technology gap to overlooked communities for market access as well as building online resources for cross-border entrepreneurship.

Known to the public as a multiple award-winning content producer, film director and TV veteran; Ms Low's acclaimed social film on humanity called Orang Itu was released on Netflix in 2021. The film scored a 10/10 from film critic, Tan Sri Johan Jaafar in The Star and is named the top 5 must watch Malaysian films.

Miss Low currently serves on the Pahang Economic Advisory Council 2024/5; Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC; National Cultural Council (MAKEN) as well as the Steering Committee of the 30% Club Malaysia.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board of Directors' Profile

(Cont'd)



SHARON ONG YEE LING
Independent Non-Executive Director

Malaysian

Aged: 46

Female

(Appointed on 28 June 2022)

Ong Yee Ling @ Sharon graduated from Victoria University of Wellington in New Zealand with a Bachelor of Law in 2000 and a Bachelor of Commerce and Administration majoring in Human Resource Management and Industrial Relations Management in 2002. Ms. Ong has been admitted to the Malaysian Bar, the New Zealand Bar and the Victorian Bar in Australia. She has also held practising certificates to practise law in Malaysia and New Zealand and also in the states of Victoria, Western Australia and Queensland.

Ms. Ong has had an extensive career in the legal industry which started in 2002 with Dawsons Solicitors and Notaries in New Zealand, where she worked as a senior solicitor. She then returned to Malaysia after spending 15 years in New Zealand to join Messrs Lee Hishammuddin Allen & Gledhill as a legal associate in 2006 before moving to Guocoland (M) Berhad in 2008. Following that she joined the legal department of Maxis Berhad for some 2 years before joining Schlumberger, an oil and gas service company, where she held multiple regional roles during her employment there. Ms. Ong presumed her position as counsel for Philip Morris Malaysia in 2016 before taking up the role of APAC legal director in Aker Solutions Malaysia with its headquarters in Oslo, Norway until 2023 when she left and joined Honeywell UOP as their Assistant General Counsel for the APAC region.

Ms. Ong is the Chairperson of the Group's Nomination Committee and a fellow member of the Audit and Remuneration Committee.

Number of Board Meetings attended during the financial year: 5 out of 5.



NUR SAFWAN BIN MOHAMED YUSUP
Alternate Director
Non-Independent Non-Executive Director

Malaysian

Aged: 38

Male

(Appointed on 11 Jan 2024)

Nur Safwan Bin Mohamed Yusup obtained a Bachelor of Science (Honors) in Management Mathematics from UiTM in 2008. Beginning his career in November 2008 as an Equity Analyst at Permodalan Nasional Berhad (PNB), where he later assumed the role of Portfolio Manager for Global Equity. Afterwards, he joined RHB Islamic International Asset Management (RHBIIAM) for a two-year stint as a Senior Equity Fund Manager, followed by assuming the role of Head of Equity at Syarikat Takaful Malaysia Keluarga Berhad (STMKB). In June 2021, he advanced his career as the Head of Public Markets at Lembaga Tabung Angkatan Tentera (LTAT). Additionally, he holds the Capital Markets Services Representative's License (CMSRL).

He became our alternate director at OCK Group Berhad on January 11, 2024.

Number of Board Meetings attended during the financial year: N/A

KEY MANAGEMENT TEAM



ANTHONY THONG YEONG SHYAN

Group Chief Financial Officer

Aged: 58

Male

- Certified Practicing Accountants ("CPA")
- Chartered Accountant with the Malaysia Institute of Accountants ("MIA")



HOW TING HIANG

Director of Group Human Resources & Administration

Aged: 55

Male

- Master of Business Administration, University of Hertfordshire
- Bachelor of Business in Business Administration, RMIT University



LIM HOOI SEEH

Chief Executive Officer

PT Putra Mulia Telecommunication, Indonesia

Aged: 56

Male

- Master of Business Administration ("MBA"), Nottingham Trent University, United Kingdom



OMER CHAPPELART

Chief Executive Officer

OCK Yangon Pte. Ltd., Myanmar

Aged: 68

Male

- Master Degree in Telecommunication (Engineering) from France Certified Project Manager Professional ("PMP")

Key Management Team (Cont'd)



MARTIN WONG SIEW BING

Chief Executive Officer
Southeast Asia Telecommunication Holdings
("SEATH") Pte. Ltd., Vietnam

Aged: 42

Male

- Bachelor's Degree in Accounting & Finance, Curtin University
- Chartered Accountant with the Malaysia Institute of Accountants ("MIA")
- Certified Practising Accountants ("CPA") with CPA Australia



TAN YEW TONG

Group Chief Marketing Officer

Aged: 55

Male

- Bachelor's Degree in Electrical & Electronics Engineering and Communications System, The University of Queensland, Australia

Additional Information

1. None of the Key Management Personnel has any family relationship with and is not related to any Director and/or major shareholder of OCK Group Berhad.
2. None of the Key Management Personnel has any conflict of interest with OCK Group Berhad.
3. Other than traffic offences, none of the Key Management Personnel has any conviction for offences within the past five years, nor public sanctions or penalties imposed by the relevant regulatory authorities during the financial year.
4. Directorships held by the Key Management Personnel in public companies and listed issuers, other than companies within the OCK Group, if any, are disclosed in the Board of Director section at <https://www.ock.com.my/board-of-director>.
5. The profiles of the Key Management Personnel are available on the OCK Group Berhad website at <https://www.ock.com.my/board-of-director>

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am delighted to present to you the Annual Report and Financial Statements of OCK Group Berhad (“OCK” or the “Group”) for the financial year ended 31 December (“FYE”) 2023. OCK achieved another solid full-year performance in FYE 2023, marked by double-digit growth in both top and bottom lines. This underscores our steadfast commitment to fostering sustainable value across the Group.



OPERATING ENVIRONMENT

In 2023, the Malaysian economy experienced a moderate growth rate of 3.7%, contrasting with the robust expansion of 8.7% seen in 2022. This slowdown was influenced by external challenges such as a global trade slowdown, geopolitical tensions and others. Domestically, despite reduced policy support, economic growth was sustained by recovering activity and labour market conditions. Strong household spending, supported by employment and wage growth, buoyed the economy, although exports remained subdued due to weak external demand.

On the regional front, Vietnam's economy in 2023 expanded by 5.1%. Despite falling short of the government's growth target of 6.5% due to slowing overseas demand, this growth is noteworthy. Vietnam remains among the fastest-growing economies in both the region and globally and is one of the markets where OCK has a significant presence.

Similar trends were observed in Indonesia another key market for OCK. The country's annual economic growth slightly declined from the 5.3% recorded in 2022 but remained solid at 5.1% in 2023. This dip was attributed to falling commodity prices impacting exports and tight monetary policies dampening demand.

The shift from the pandemic to the endemic phase of COVID-19 in 2023 fuelled a continued and heightened need for improved digital connectivity across different sectors. This resulted in increased investments in digital technologies such as cloud computing and Internet of Thing (IoT) solutions. The emergence of permanent remote or hybrid work setups and hybrid learning models emphasises the necessity for reliable digital infrastructure.

With the persistent demand for internet reliance, governments across regions face the imperative need to enhance digital networks. As one of the leading providers of telecommunications network solutions in Malaysia and the region, OCK remains well-positioned to capitalise on the growing demand for digitalisation and fifth-generation (5G) technology.

**YBHG. DATO' INDERA
SYED NORULZAMAN
BIN SYED KAMARULZAMAN**

Non-Independent
Non-Executive Chairman

Chairman's Statement

(Cont'd)

FINANCIAL PERFORMANCE

I am pleased to report that in FYE 2023, OCK continued to benefit from the sustained demand for telecommunication network services and green energy and power solutions. This was reflected in our robust financial performance, whereby a notable profit after tax of RM43.1 million was recorded in FYE 2023. This represents a robust double-digit expansion of 12.1%, which is equivalent to RM4.7 million.

In terms of revenue, the Group achieved a total of RM722.8 million for FYE 2023, marking a commendable growth of RM105.7 million or 17.1% compared to the RM617.1 million recorded in FYE 2022, which was propelled by expansion across the board. The breakdown of revenue by business segments were as follows:

- Telecommunication Network Services segment which remained the primary revenue driver, contributed 87.2% of our FYE 2023 revenue;
- Green Energy and Power Solutions business segment contributed 7.5% of our FYE 2023 revenue;
- Trading business segment accounted for 3.0% of our FYE 2023 revenue and
- Mechanical and Engineering business segment made up the remaining 2.3% of our FYE 2023 revenue.

A comprehensive analysis of our financial and operational performance is provided in the "Management Discussion and Analysis" section of this Annual Report.

ACHIEVEMENTS

Presently, OCK has ownership of over 5,500 telecommunication sites across Vietnam, Myanmar and Malaysia. As a leading independent telecommunication tower company in the region, OCK remains committed to expand its tower portfolio beyond the current footprint. A noteworthy milestone for OCK occurred when the Laotian government awarded the Group a license to supply telecommunication infrastructure in Laos, making OCK the first foreign entity to receive such recognition from the Laos government. Currently, discussions with a local telco in Laos are underway for the deployment of 5G technology in the country.

Following Digital Nasional Berhad ("DNB")'s progressive 5G roll-out in 2023, the tenancy ratio at OCK's Malaysian towers increased to 1.5 times, up from 1.4 times in 2022. The rise was attributed to increased co-location sharing at OCK's existing towers.

OCK plays a pivotal role in Malaysia's telecommunications landscape as one of the foremost providers of end-to-end solutions. As part of the Jalinan Digital Negara ("JENDELA") initiatives, OCK is actively involved in the deployment and expansion of 5G networks across the country. This involvement encompasses a wide range of activities, including tower construction and fiberisation works, aimed at enhancing connectivity and infrastructure to support the evolving needs of digital communication.

OCK remains a prominent independent managed services provider in Indonesia with a robust network of 48,708 telecommunication sites. This extensive infrastructure accounts for approximately 39% of the total telecommunication sites in Indonesia, reaffirming OCK's significant presence and contribution to the telecommunications sector in Indonesia.

Amidst the global shift towards reducing carbon emissions and fostering sustainability, our green energy and power solutions segment remains a key driver of our business growth. In FYE 2023, we sustained a positive revenue growth in this segment, with an increase of 8.6%, primarily due to contracts for providing power solutions at data centres. Additionally, our solar farm portfolio now includes a total of 29 solar farms, up from 22 solar farms in the previous year, with a combined capacity of 14MW, compared to 12.36MW in the previous year.

In our commitment to advancing sustainability, OCK Setia Engineering Sdn. Bhd. ("OCKSE") accepted a letter of acceptance from the Ministry of Education Malaysia ("MOE") in October 2023. This agreement entailed provision of rental services of eco-friendly information and communication technology (ICT) hardware with the objective of meeting green requirements for teaching and learning in Sarawak's MOE school computer laboratories with a contract value of approximately RM48.7 million over 65 months.

Subsequently, OCKSE had accepted and signed the Letter of Award from the MOE on 21 February 2024.

Chairman's Statement (Cont'd)

MOVING FORWARD

As we navigate the aftermath of a global pandemic spanning three years, businesses are confronted with a landscape still fraught with challenges. Ongoing conflicts in regions such as Russia-Ukraine and Israel-Palestine, coupled with sustained trade tensions between the United States and China, alongside the enduring ramifications of the pandemic, are poised to perpetuate geopolitical, economic, and social uncertainties worldwide.

The World Bank has forecasted a deceleration in global gross domestic product ("GDP") growth for the third consecutive year, anticipating a rate of 2.4% in 2024. This projection reflects the impact of tighter liquidity and uncertain economic prospects in numerous major economies, exerting downward pressure on overall growth trajectories.

Fortunately, the prospects for ASEAN are promising, as the GDP of ASEAN-5 nations is projected to grow by 4.7% in 2024, a notable increase from the 4.2% recorded in 2023.

The shift in lifestyle brought about by the COVID-19 pandemic, which has led to increased reliance on digital platforms for work, education, and various activities, have created a sustained need for robust and dependable digital connectivity. OCK is optimistic about the opportunities this present for the telecommunications sector, foreseeing a continued demand for its services in providing essential and high-quality connectivity solutions to meet evolving needs, both locally and regionally.

OCK is poised to capitalise on various initiatives in the Malaysian telecommunications industry, including the second phase of Point of Presence (PoP), and ongoing efforts by JENDELA in deploying and expanding 5G networks. Leveraging the existing state of our network infrastructure, OCK is also strategically positioned to gain further benefits from the shift towards a dual wholesale network, in tandem with DNB's continuous efforts to expand 5G sites in urban areas and extend network coverage to rural regions.

As a prominent player in the renewable energy sector, OCK possesses robust engineering, procurement, and construction capabilities tailored for the development and ownership of solar farms. The Company is strategically positioned to capitalise on its expertise by actively engaging in more large scale solar

projects spearheaded by the Government. OCK will continue to explore synergistic partnerships with state government agencies to facilitate their transition towards adopting a greener future.

Building upon the Group's extensive expertise in infrastructure management and technology deployment, OCK finds itself in a unique position to explore digital solutions, particularly following its recent contract acquisition from the Ministry of Education ("MOE"). This strategic diversification signifies a significant step forward, considering the substantial growth potential, with additional orders anticipated to be awarded in the near future.

ACKNOWLEDGEMENT

On behalf of our Board, I wish to express our sincere gratitude to our shareholders for their unwavering trust in our Group and also to our management team and staff for their dedication, which have played a pivotal role in our Group's resilience and achievements.

Furthermore, I would like to express appreciation to our business partners, advisors, and the relevant government and regulatory agencies for their invaluable support and guidance. Their collaboration has been crucial in navigating the complexities of the business environment.

I am pleased to recognise the contributions of Mr. Chong Wai Yew and Puan Saira Banu Binti Chara Din, our former Executive Director and Alternate Director, respectively, for their valuable contributions during their tenure on the Board. We extend our sincere best wishes to them as they embark on new endeavours.

I am also pleased to extend a warm welcome to Mr. Ooi Inn Huei and Encik Nur Safwan Bin Mohamed Yusup, who joined the Board recently. We are confident that their wealth of experience and expertise will enhance the exchange of ideas, ultimately benefiting the Board and our organisation. Lastly, I would like to express gratitude for the commitment and support I have received from my fellow Directors thus far.

Our commitment to creating sustainable value for our stakeholders remains steadfast. I look forward to keeping you informed of our ongoing progress.

YBG. DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

OCK Group Berhad ("OCK" or the "Group") is dedicated to advancing connectivity and promoting cleaner energy both regionally and globally. With a footprint spanning Malaysia, Vietnam, Indonesia and Myanmar, OCK operates through four core business divisions:

- Telecommunication Network Services
- Trading of Telecommunication Network Products
- Green Energy and Power Solutions
- Mechanical & Electrical Engineering Services.

As a prominent player in the telecommunication infrastructure and services sector, OCK excels in offering a wide array of services, including tower construction and operation, end-to-end turnkey solutions, and managed network services. OCK's comprehensive service offerings effectively address the diverse requirements of the telecommunication network services market, ensuring that customers receive holistic solutions tailored to their specific needs.

As a Network Facilities Provider ("NFP") Licensee, OCK is authorised to construct, own, and lease telecommunication towers and rooftop structures to telecommunication operators in Malaysia, thereby playing a pivotal role in enhancing the country's telecommunication infrastructure.

**YBHG. DATUK WIRA SAM
OOI CHIN KHOON**
Group Managing Director

Management Discussion & Analysis (Cont'd)

OCK achieved a significant milestone as the Laotian government granted the Group a license to provide telecommunication infrastructure in Laos. This recognition marked a noteworthy accomplishment for OCK, positioning it as the first foreign entity to receive such authorisation from the Laotian government. We are collaborating with Best Telecom, the local telecommunications company in Laos. Presently, we are in the final negotiation stages to finalise the construction of first batch of towers for them.

In addition to our core telecommunication services, we have strategically expanded into the solar energy sector, recognising its immense growth potential and contribution to sustainable development. Our involvement extends beyond merely operating our own solar farms; we have leveraged our expertise as an engineering, procurement, and construction ("EPC") contractor of solar power plants. By undertaking these projects, we actively promote the transition towards sustainable energy practices, ensuring that clean energy solutions are accessible.



TELECOMMUNICATION NETWORK SERVICES ("TNS")

As a leading provider in the telecommunications industry, OCK is committed to meeting the rapidly evolving needs of modern telecommunications with unparalleled excellence. Through our exceptional tower construction and operation services, end-to-end turnkey solutions, and managed network services, we deliver solutions that are not only performance-driven but also cost-efficient and growth-ready.

We stand at the forefront of the connectivity transformation, driven by the 5G revolution and the proliferation of Internet of Things ("IoT") technologies. With our expertise and capabilities, we are fully prepared to play a pivotal role in shaping the future of connectivity, ensuring that individuals, businesses, and communities are empowered by seamless and reliable telecommunications infrastructure.

This segment continued to be the primary contributor to the Group, representing 87.2% of OCK's revenue for the financial year ended 31 December ("FYE") 2023.

(i) Tower Business

OCK owns more than 5,500 telecommunication sites across the ASEAN region as of FYE 2023 made up of 3,650 sites in Vietnam, 1,200 sites in Myanmar and 650 sites in Malaysia. Notably, our tower business has been the largest contributor to our recurring income stream over the long term, primarily due to our long-term contracts with telecommunication operators for leasing telecommunication towers. We have successfully expanded into markets in Vietnam and Myanmar while maintaining a strong presence in our home country. The tenancy ratios across each geographical segment are detailed as follows:

- **Vietnam:** OCK presently owns over 3,650 sites in Vietnam, with a tenancy ratio increasing from 1.3 times in FYE 2022 to 1.4 times in FYE 2023. We target to increase our tower portfolio in Vietnam to around 4,300 towers by 2025, primarily through tower acquisitions.
- **Myanmar:** OCK currently owns over 1,200 sites with a tenancy ratio of 1.4 times. The Group intends to maintain this until the country is more politically stable.
- **Malaysia:** OCK currently owns 650 sites with a tenancy ratio of 1.5 times, an improvement from the previous year's ratio of 1.4 times, following the roll-out of 5G by Digital Nasional Berhad's ("DNB") in FYE 2023. This increase was attributed to increased co-location sharing with DNB at OCK's existing towers. OCK plans to increase its tower count in Malaysia by approximately 200 towers by 2025, through a combination of built-to-suit ("BTS") towers and tower acquisitions.

Management Discussion & Analysis (Cont'd)

(ii) Full Turnkey Solutions

We adopt a one-stop approach to ensure that clients and partners can rely on us to meet all their project requirements, eliminating the need to engage multiple vendors for different aspects of the project. Our solutions encompass tower site construction, installation of telecommunication equipment, testing, commissioning services for technology vendors, and more.

As part of the Jalanan Digital Negara ("JENDELA") initiatives, OCK actively participates in the deployment and expansion of 5G networks across the country. This involvement includes various activities such as tower construction and fiberisation works, aimed at improving connectivity and infrastructure to meet the changing demands of digital communication.

(iii) Managed Services / Operations Business

Presently, we manage approximately 11,300 sites in Malaysia, which makes up 23% of the market. In Indonesia, we maintain a leading position as one of the largest managed services operators, managing a total of 48,708 sites, a market share of around 39%. This segment was the second-largest contributor to our recurring income.

OCK specialises in managing and maintaining telecommunication networks for operators in the region, ensuring reliable connectivity and optimised performance. Our services include operating 24/7 network operation centres offering troubleshooting, maintenance support, regular upkeep, inventory management, parts replacement, disaster recovery, and back-office assistance.



GREEN ENERGY AND POWER SOLUTIONS

The green energy and power solutions segment reported RM54.3 million of revenue in FYE 2023, a year-on-year increase of 8.6% and contributed 7.5% to the Group's overall revenue. OCK actively engages in the construction and operation of its own solar farms, alongside offering solar energy services as an EPC contractor. Our EPC services cover development, investment, building, and operation of renewable energy projects, including power plant installation and testing. Our solar farm portfolio now includes a total of 29 solar farms, up from 22 in the previous year, with a combined capacity of 14MW, compared to 12.36MW in Malaysia.

In addition, it is noteworthy that OCK successfully provided power solutions for green data centres in Penang and Iskandar Johor during FYE 2023. These contracts involve the provision of power backup centres, including tasks such as power cabling and the supply of generation sets.



TRADING OF TELECOMMUNICATIONS NETWORK PRODUCTS

The trading division reported remarkable growth of 270.9% in FYE 2023 as compared to FYE 2022, with revenue of RM21.6 million. The surge was primarily attributed to the synergistic nature of the trading business, which significantly supports OCK's TNS division. Additionally, OCK holds the largest market share of the Indoor Distributed Antenna System, encompassing the majority of key buildings in Malaysia.

Management Discussion & Analysis

(Cont'd)



MECHANICAL & ELECTRICAL ("M&E") ENGINEERING SERVICES

As we navigate the dynamic business landscape, OCK remains dedicated to providing steadfast support to businesses across various sectors through our comprehensive contracting and maintenance services.

M&E engineering services have been a pivotal area of our business, contributing significantly to the Group's revenue over the years. In FYE 2023, the division achieved a remarkable milestone of 125.6% with a year-on-year ("YoY") revenue increase compared to FYE 2022. The division's revenue surged to RM16.4 million in FYE 2023, up from RM7.3 million in FYE 2022. The rebound of the economy and increased private consumption have positively influenced the demand for M&E engineering services, driving substantial revenue growth for the division.

OTHERS

Building upon OCK's proven track record and reputation, the Group aims to leverage its experience and expertise to enrich and broaden its existing services and product portfolio. We have broadened our business operations to offer a comprehensive one-stop solution for connectivity and digitalisation. This encompasses a full spectrum of services, spanning from the initial design phase to the final implementation and ongoing maintenance. This comprehensive approach allows us to address the challenge of providing connectivity and digitalisation especially among underserved populations in rural areas.

In October 2023, OCK Setia Engineering Sdn. Bhd. accepted letter of acceptance from the Ministry of Education Malaysia ("MOE"). This agreement involves the provision of rental services of eco-friendly information and communication technology ("ICT") hardware that meet green requirements for teaching and learning purposes in Sarawak's MOE school computer laboratories. The contract is valued at approximately RM48.7 million over a duration of 65 months.

YEAR-ON-YEAR FINANCIAL REVIEW

The transition from the pandemic phase to the endemic phase of Coronavirus Disease 2019 ("COVID-19") in 2023 brought about a sustained and heightened requirement for enhanced digital connectivity across various sectors. This led to increased investments in digital technologies like cloud computing and IoT solutions. The emergence of permanent remote or hybrid work setups and hybrid learning models underscored the critical importance of reliable digital infrastructure.

As the demand for internet dependence continues to persist, governments worldwide are faced with the urgent task of improving digital networks. As one of the leading providers of telecommunications network solutions in Malaysia and the regions, OCK is strategically positioned to capitalise on the expanding demand for digitalisation and 5G technology.

OCK's consolidated revenue for FYE 2023 reached RM722.8 million, marking a significant 17.1% increase from RM617.1 million in FYE 2022. Concurrently, the Group's profit after tax and minority interest ("PATAMI") increased to RM36.5 million, reflecting an impressive year-on-year increase of 11.3%.

Management Discussion & Analysis

(Cont'd)

Our financial performance	Audited FYE 2023 RM'000	Audited FYE 2022 RM'000	Variance	
			RM'000	%
Revenue	722,783	617,106	105,677	17.1
Gross profit ("GP")	168,913	146,743	22,170	15.1
Profit before tax ("PBT")	56,976	48,439	8,537	17.6
Profit after tax ("PAT")	43,121	38,452	4,669	12.1
GP margin (%)	23.4%	23.8%	(0.4 bp)	(1.7)
PBT margin (%)	7.9%	7.9%	-	-
PAT margin (%)	6.0%	6.2%	(0.2 bp)	(3.2)

Revenue by segment	Audited FYE 2023 RM'000	Audited FYE 2022 RM'000	Variance	
			RM'000	%
TNS	630,499	553,997	76,502	13.8
Green Energy and Power Solutions	54,322	50,034	4,288	8.6
Trading	21,607	5,825	15,782	270.9
M&E Engineering Services	16,355	7,250	9,105	125.6
Revenue	722,783	617,106	105,677	17.1

This remarkable revenue uptick was predominantly fuelled by the TNS business segment, which accounted for a significant portion of the growth. Specifically, the TNS segment saw revenue growth of RM76.5 million, constituting 72.4% of the total revenue growth for OCK.

Positioned as a key player in tower leasing segment, OCK stands to benefit from the ongoing deployment of 5G infrastructure in the region. The Group continues to enjoy robust recurring revenue streams, primarily attributable to the captive telecommunication site leasing business.

During FYE 2023, a significant portion of OCK's revenue, amounting to 59.6%, was generated from domestic business, marking a substantial increase from the 18.5% reported in FYE 2022. The notable growth of RM67.3 million in revenue from domestic business can be attributed to various initiatives spearheaded by the Malaysian Government, from which OCK has greatly benefited.

We are dedicated to enhancing our recurring revenue streams, which primarily derive from tower leasing, managed services and solar renewable energy. These revenue streams offer earning stability and visibility. In FYE 2023, recurring revenue contributed 57.6% of the Group's total revenue, marking a slight decrease from 58.5% in FYE 2022. However in number terms, FYE 2023's total recurring revenue registered an increase by 15.2% to RM416.1 million as oppose to RM361.3 million in FYE 2022 mainly due to the increase in tenancy ratios and solar farm capacity.

GROSS PROFIT

In line with the increase in revenue, the Group achieved a GP of RM168.9 million in FYE 2023, compared to RM146.7 million in FYE 2022, marking a YoY increase of RM22.2 million or 15.1%. Despite challenges such as increased commodity prices and supply chain disruptions, the GP margin for FYE 2023 remained resilient, with a slight decrease of 0.4 basis points ("bp") compared to FYE 2022 due to the Group's focus on cost discipline and optimisation.

Management Discussion & Analysis

(Cont'd)

PROFIT BEFORE TAX

Our PBT in FYE 2023 increased by RM8.5 million or 17.6% to reach RM57.0 million, up from RM48.4 million in FYE 2022. The PBT margin remains constant at 7.9% as compared to FYE 2022.

PROFIT AFTER TAX

The Group's PAT increased to RM43.1 million in FYE 2023 from RM38.5 million in FYE 2022, reflecting a growth rate of 12.1%. However, this growth rate was lower than that of PBT in FYE 2023 due to the higher effective tax rate of 24.3% in FYE 2023, as compared to 20.6% in FYE 2022.

PROFIT NET OF TAX ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

Aligned with the increase in PAT as previously discussed, the Group attained a PATAMI of RM36.5 million in FYE 2023, marking a growth of RM3.7 million or 11.3% compared to FYE 2022. This resulted in an increase of 0.35 sen in our basic earnings per share for FYE 2023 to 3.46 sen compared to 3.11 sen in FYE 2022.

Our financial position	Audited As at 31 December 2023	Audited As at 31 December 2022	Variance	
	RM'000	RM'000	RM'000	%
Non-current assets	1,200,469	1,153,940	46,529	4.0
Current assets	806,049	494,727	311,322	62.9
Non-current liabilities	713,895	530,912	182,983	34.5
Current liabilities	496,984	392,822	104,162	26.5
Equity attributable to owners of the Company	706,901	639,197	67,704	10.6

ASSETS

Non-current assets, including property, plant, and equipment, right-of-use assets, intangible assets, and others, increased from RM1,153.9 million as at 31 December 2022, to RM1,200.5 million as at 31 December 2023. This increase primarily resulted from the addition of property, plant, and equipment totalling RM99.3 million and right-of-use assets amounting to RM29.8 million. However, the increase was partially offset by current year depreciation charges on property, plant, and equipment as well as right-of-use assets, totalling RM108.1 million.

The investments in property, plant, and equipment during FYE 2023 were primarily directed towards telecommunications sites as well as green energy and power solutions to sustain and drive revenue streams. Meanwhile, the increase in right-of-use assets of RM29.8 million was mainly attributed to the renewal of existing leases and the initiation of new lease contracts.

Current assets increased significantly by RM311.3 million or 62.9% from RM494.7 million as at 31 December 2022, to RM806.0 million as at 31 December 2023. The notable increase was primarily driven by the improvement in cash and bank balances by RM162.7 million along with other investments which increased by RM86.3 million mainly due to the drawdown of the sukuk fund. Further details are elaborated in the "Liquidity, capital resources and gearing" section on page 34. The working capital also reported an increase of RM58.4 million which was in line with the growth in revenue.

Management Discussion & Analysis

(Cont'd)

LIABILITIES

Non-current liabilities, consisting of loan and borrowings, lease liabilities, deferred tax liabilities, provisions, and others, recorded a substantial increase of RM183.0 million or 34.5% YoY, recorded at RM713.9 million as at 31 December 2023, compared to RM530.9 million on 31 December 2022. This surge was primarily attributed to a net drawdown of RM188.2 million in long-term loan and borrowings, aimed at financing the ongoing order books of the Group with further details elaborated in the "Liquidity, capital resources and gearing" section below.

On the other hand, current liabilities, mainly comprising short-term loan and borrowings, trade and other payables, lease liabilities, and others, increased by RM104.2 million or 26.5% YoY, amounted to RM497.0 million as at 31 December 2023, up from RM392.8 million on 31 December 2022. This increase was primarily driven by the higher loan and borrowings amounting to RM65.5 million due to the drawdown of foreign loans paired with higher trade and other payables of RM33.5 million in line with the increase in the revenue.

LIQUIDITY, CAPITAL RESOURCES AND GEARING

As at 31 December 2023, cash and cash equivalents surged by RM167.7 million to RM202.9 million compared to RM35.2 million recorded on 31 December 2022. Cash and cash equivalents encompass cash and bank balances, fixed deposits not pledged with licensed banks, offset by bank overdrafts.

Our cash flow from/(used in)	Audited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000	Variance	
			RM'000	%
Operating activities	166,858	30,238	136,620	451.8%
Investing activities	(185,871)	(70,895)	(114,976)	(162.2)
Financing activities	186,486	42,839	143,647	335.3%
Net changes in cash and cash equivalents	167,473	2,182	165,291	7,575.2

The PBT recorded in FYE 2023 contributed to a positive cash flow before changes in working capital of RM214.9 million. However, RM28.6 million was utilised to support the increased working capital needs arising from the revenue growth. Additionally, the net payment of interest and income tax amounting to RM19.4 million further decreased our operating cash flow, leading to a net cash flow from operating activities of RM166.9 million reported in FYE 2023.

A net cash outflow of RM185.9 million was reported from investing activities during FYE 2023, primarily due to investments in property, plant, and equipment amounting to RM97.2 million and other investments totalling RM86.3 million, as mentioned earlier.

Conversely, the Group reported a positive net cash flow of RM186.5 million from financing activities during FYE 2023, primarily due to a net drawdown in loan and borrowings amounting to RM253.5 million to fund ongoing projects. The Group refinanced its USD-denominated debt in December 2023 by using RM400.00 million proceeds from the first tranche of its RM700.0 million Sukuk Murabah Program. Further details are provided in the "Corporate Exercise" section on page 35.

However, the increase in banking facilities was offset by the net payment of lease liabilities amounting to RM39.7 million, interest costs of RM29.5 million, dividends of RM3.5 million, share buybacks totalling RM1.6 million, and repayment to minority shareholders of RM0.2 million.

Management Discussion & Analysis

(Cont'd)

Given the above analysis, our gearing ratio decreased marginally from 0.69 times as at 31 December 2022 to 0.64 times as at 31 December 2023.

We finance our business operations through a blend of internal and external funding sources. Internally, our primary sources of funds include shareholders' equity and cash generated from our day-to-day operations. Externally, we rely on bank borrowings and credit terms extended by our suppliers. Our supplier credit terms typically range from 30 to 90 days. This balanced approach to financing ensures the stability and flexibility necessary to support our operations effectively.

The management is confident that, taking into account our current cash reserves and the anticipated funds from our business activities, we will maintain sufficient working capital to address our ongoing operational needs. Apart from the factors mentioned above, we are not aware of any other significant trends or events that could substantially impact our operations, performance, financial status, or liquidity in the near future.

REVIEW OF OPERATING ACTIVITIES

CORPORATE EXERCISE

On 11 September 2023, the Board announced the lodgement of documentation relating to the Sukuk Murabahah Programme with the Securities Commission Malaysia ("SC"). The Sukuk Murabahah Programme shall have a tenure of thirty (30) years from the date of the first issuance. OCK has successfully issued the first tranche of its Sukuk Murabahah Programme, amounting to RM400 million and it was oversubscribed by 1.33 times. This Sukuk issuance holds a credit rating of AA- by MARC Ratings Berhad.

The first tranche consists of a RM100 million portion maturing in five years with a profit rate of 5.21% and a RM300 million portion maturing in seven years with a profit rate of 5.38%. The funds raised are utilised to restructure the Group's foreign currency denominated borrowings, leading to an interest savings and mitigating the impact of foreign exchange rate fluctuations. Additionally, the proceeds will provide OCK with additional capital for new projects, strengthening its position in the telecommunication segment.

TELECOMMUNICATIONS NETWORK LANDSCAPE

Telecommunication networks are indispensable for modern society, enabling communication, collaboration, and connectivity across the globe. They serve as the foundation for economic development, social interaction, education, healthcare, and emergency services, playing a vital role in shaping the way we live, work, and interact with the world. The importance of telecommunication networks has become even more evident after the COVID-19 pandemic.

(i) Malaysia

Elevating telecommunication technology and infrastructure remains a paramount goal for the Malaysian Government. Malaysia has established enduring national policies and digital initiatives to position for success in the digital economy. These frameworks are designed to ensure seamless digital adoption and promote a robust digital economy. The effectiveness of these policies relies on nationwide connectivity, making JENDELA a critical enabler of Malaysia's digital economy strategy.

JENDELA is a collaborative plan between industries and the Government. It is a 5-year plan (2020-2025) and captured as a national digital communications enhancement initiative under the 12th Malaysia Plan (2021-2025). It is formulated to provide wider coverage and better quality of broadband experience, to enable Malaysians to have access to quality digital connectivity.

Management Discussion & Analysis

(Cont'd)

JENDELA is implemented in two phases. Phase 1 involves the gradual sunset of 3G networks until the end of 2021, allowing further upgrades to 4G networks and strengthening the foundation for 5G networks. Phase 2 (2023-2025) involves addressing the remainder of the digital divide not covered under Phase 1. This involves leveraging satellite connectivity and other suitable technologies to provide internet access to sparsely populated and remote areas. By 2025, individuals in rural areas are anticipated to have access to the internet, bridging the digital gap.

The Communications Minister announced that Malaysia's 5G rollout has achieved coverage in populated areas. Following DNB's progressive 5G rollout in 2023, the tenancy ratio at OCK's Malaysian towers increased to 1.5 times from 1.4 times in 2022, mainly due to increased co-location sharing at OCK's existing towers.

As part of JENDELA, OCK actively participates in deploying and expanding 5G networks nationwide. This includes a spectrum of activities, from tower construction to fiberisation works, with the aim of enhancing connectivity and infrastructure to meet the evolving demands of digital communication.

(ii) Vietnam

During 2023, Vietnam is in the final stages of preparing to commercialise 5G. The commercialisation of 5G is supported by the amended law on telecommunications, which was adopted by the National Assembly in November 2023 and will take effect from July 2024. This amended law permits network operators to build BTS stations on public land, enabling them to build stations across the country.

As announced by Vietnam's Ministry of Information and Communications ("MIC"), Vietnam is ready to commercialize 5G in 2024 as part of its digital infrastructure push. MIC has also released bidding documents for the usage of three blocks of frequency radio wave bands for 5G commercial deployment. Auctions are scheduled for March 2024, with up to three telecommunications operators being licensed to provide 5G mobile network services nationwide. Currently, 5G services have been extensively tested in 55 out of 63 provinces and cities across Vietnam.

Vietnam is considered to be a country with high potential for rapid digital economic development and a significant trend towards digital transformation across all fields. Consequently, OCK currently owns over 3,650 sites in Vietnam, with a tenancy ratio of 1.4 times, increased from 1.3 times in FYE 2022.

(iii) Indonesia

Indonesia stands as one of the largest and fastest-growing digital economies in the Asia-Pacific region. The government's digital roadmap for 2021-2024 recognises information and communication technology infrastructure as a pivotal enabler of digital transformation, with priorities including the completion of 4G infrastructure and the development of 5G networks. Presently, Indonesia boasts an impressive 97% coverage of 4G, while the nation's 5G network rollout is in its early stages, reaching 15% of the population.

Achieving this vision hinges on ensuring that the country's mobile operators have access to adequate and affordable spectrum. The speed, reach, and quality of both 4G and 5G services rely on this, emphasizing that there are no shortcuts for a country committed to building an inclusive digital economy.

The Indonesian government welcomes investment cooperation for the development of 5G digital connectivity as part of fortifying the national digital infrastructure. OCK has witnessed significant demand for managed services in Indonesia market, leveraging the dominant presence there, resulting in stronger earnings reported annually.

(iv) Myanmar

Due to the on-going political challenges, OCK intends to maintain the current portfolio until stability is observed.

Management Discussion & Analysis

(Cont'd)

GREEN ENERGY AND POWER SOLUTION LANDSCAPE

The energy sector is undergoing a swift transformation while balancing the energy trilemma of security, affordability, and sustainability globally and domestically. In July 2023, Malaysia initiated a transformative journey by unveiling its National Energy Transition Roadmap ("NETR"), marking a significant commitment to combating climate change and adopting sustainable energy solutions. This roadmap is essential for guiding Malaysia's transition from a traditional fossil fuel-based economy to a high-value green economy. The Twelfth Malaysia Plan, covering 2021-2025, underscores Malaysia's dedication to achieving net-zero greenhouse gas ("GHG") emissions by 2050.

The Malaysian Government intends to increase the target for installed renewable energy capacity from 40% in 2035 to 70% by 2050. Phase 1 of NETR identifies the agencies and corporate bodies that will spearhead the catalyst projects, expected to create investment opportunities ranging between RM435 billion to RM1.85 trillion by 2050.

Since 2012, OCK has demonstrated its commitment to reducing carbon footprint by venturing into the green energy and power solution segments. This segment remains a pivotal driver of our business growth. As an EPC contractor and solar farm owner, the Group is poised to benefit from projects in both the public and private sectors aimed at meeting Malaysia's carbon-neutral goals. Our solar farm portfolio has expanded to include a total of 29 solar farms, compared to 22 solar farms in the previous year, with a combined capacity of 14MW, up from 12.36MW in Malaysia.

Additionally, it's noteworthy that OCK successfully provided power solutions for green data centres in Penang and Iskandar Johor. These contracts involve the provision of power backup centres, including tasks such as power cabling and the supply of generation sets.

OTHERS

Aligned with Malaysia's government initiative to enhance digital proficiency in a sustainable manner, in October 2023, OCK was awarded a contract worth approximately RM48.7 million over 65 months to provide eco-friendly ICT hardware leasing services to the MOE school computer laboratories in Sarawak. This contract underscores the government's commitment to promoting environmental sustainability while advancing technological capabilities in the education sector. By leasing eco-friendly ICT hardware, the MOE can access modern technology while minimising environmental impact through the adoption of sustainable practices. This initiative not only supports the government's digital transformation agenda but also contributes to building a greener and more environmentally conscious society.

The Group has initiated the procurement process for the eco-friendly ICT hardware contract and we are on track to deliver the equipment to the MOE.

Management Discussion & Analysis

(Cont'd)

RISK PROFILES

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks are also disclosed below:-

(i) Business risks

Our Group is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our Group is also involved in GEP solutions, M&E engineering services as well as trading of telecommunication and network products.

Hence, we are susceptible to the risks inherent to our industries. These include, amongst others, any outbreaks of diseases affecting local and global markets, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business, business and credit conditions, as well as fluctuations in foreign exchange rates. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes relating to our business.

(ii) Operational risks

Due to the nature of our Group's operations, interruptions in our Group's operating capabilities through disruption in electricity supply and failure or damage of tower and solar farm infrastructure or other disruptions to our business operations may have an adverse effect on our Group's business and financial performance.

To avoid major breakdowns and disruptions to our operations, electricity supply and relevant equipment are constantly monitored and our production machinery undergoes scheduled maintenance.

(iii) Credit risks

We are exposed to credit risks due to slowdown in the collection of payments. The Group evaluated the likelihood and the severity and concluded that the Group would not be significantly affected by the expected credit loss of financial assets.

(iv) Foreign exchange risks

40.4% of OCK's revenue in FYE 2023 was derived from the regional business such as Singapore, Vietnam, Myanmar and Indonesia. We also purchased raw materials from suppliers in China. As such, we are exposed to foreign exchange risks. There is no assurance that any foreign exchange fluctuation will not have an adverse impact on our earnings.

We have USD-denominated loans that are susceptible to foreign exchange risks. To mitigate this risk, we engaged in active hedging strategies. These strategies involved entering into financial contracts or instruments designed to offset potential losses arising from fluctuations in exchange rates. By hedging our foreign currency exposure, we aim to safeguard our financial position and ensure stability in our operations, thereby minimising the impact of currency fluctuations on our business performance. For FYE 2023, our Group has not encountered any significant foreign currency exchange fluctuation that has resulted in material adverse impact on our Group's financials.

(v) Competition risks

The Group's revenue and profits are exposed to the risk of uncertainty arising from global and local economic conditions. Furthermore, we continue to face competition from existing and new competitors who may be capable of offering similar services and products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our products through stringent quality assurance procedures. We also continuously place importance on improving our products by investing in market research and product development activities.

Management Discussion & Analysis

(Cont'd)

FORWARD-LOOKING STATEMENT

TELECOMMUNICATIONS NETWORK LANDSCAPE

The outlook for the telecommunication network industry remains promising as the rollout of 5G networks continues to gain momentum, offering significantly faster speeds, lower latency, and greater capacity compared to previous generations. In addition to that, the proliferation of IoT devices across various sectors, including smart cities, healthcare, manufacturing, and transportation, is fuelling the need for robust and reliable telecommunications networks. These networks serve as the backbone for connecting and managing IoT devices, driving efficiency, and enabling data-driven decision-making.

OCK's growth momentum remains robust as we actively pursue new contracts to capitalise on the ongoing roll-out of 5G networks locally and across neighbouring countries. The Company maintains a steadfast commitment to delivering on its order book of RM250 million,

Domestically, the industry foresees heightened activities fuelled by ongoing initiatives like the second phase for Point of Presence (PoP) and Jendela, alongside the 5G spectrum rollout under DNB. By 2025, Malaysia's digital economy is forecasted to contribute 22.6% to the GDP and the creation of half a million jobs by then. As the leading provider of telecommunication network solutions in Malaysia, OCK stands to capitalise on the continued deployment of Malaysia's 5G network.

Taking into account the current state of our network infrastructure, the Group is well-positioned to leverage additional benefits arising from the transition to a dual wholesale network. This is further complemented by DNB's continuous efforts to expand 5G sites in populated areas and extend network coverage into rural areas. OCK could benefit from co-location opportunities at its existing tower sites and the construction of new build-to-suit towers, underpinned by OCK's proven track record and participation in the successful deployment of 5G sites for the first network.

On the regional front, OCK is dedicated to continuing to strengthen its position as a leading provider of telecommunication infrastructure solutions. In February 2024, Vietnam's MIC revealed details about the "Information and Communication Infrastructure Master Plan for the Period 2021-2030, with a Vision to 2050". This plan aims to guide Vietnam's development of information technology infrastructure toward a

high-tech future. The strategy emphasises the need for a broadband communication infrastructure with large capacity, high-speed technology, and extensive integration of the IoT. OCK, being one of the prominent telecommunication network service providers in Vietnam, stands to gain from the government's emphasis on advancing high-speed internet infrastructure in the country.

The Group recently ventured into Laos to further leverage on its region growth. The Laotian Government awarded the Group a license to supply telecommunication infrastructure in Laos, marking OCK as the first foreign entity to receive such recognition from the Laotian Government. Presently, the Group is in the midst of final negotiations with Best Telecom to secure the first batch of towers in Laos leveraging on the deployment of 5G technology.

OCK is actively engaged in expanding its tower portfolio to more than 6,000 telecommunication sites in future through both greenfield and brownfield strategies. Additionally, OCK is actively working to optimise tenancy ratios. This entails maximising the usage of its existing towers by attracting more tenants or telecommunication operators to share the infrastructure.

Additionally, OCK, being one of the largest managed services companies in Malaysia and Indonesia with a combined portfolio of more than 60,000 sites under management, will continue to offer this value proposition to telecommunication operators. In Indonesia, we have witnessed overwhelming demand for managed services, leveraging our dominant presence there, with stronger earnings reported each year. The Group anticipates similar trends to persist into 2024, aligning with the Indonesian government's aim to utilize 5G technology as a catalyst for driving a digital revolution across different industrial sectors. To enhance these development initiatives, Indonesia has welcomed opportunities for various entities to share knowledge, best practices, and collectively tackle challenges related to the adoption of 5G technology.

In addition to our robust recurring income, OCK aims for growth through our non-recurring income stream via our contracting business as a TNS provider. Our objective is to uphold our position as one of the largest TNS providers in the region while continuing to facilitate connectivity and transition to 5G technologies.

Management Discussion & Analysis (Cont'd)

GREEN ENERGY AND POWER SOLUTION LANDSCAPE

We remain steadfast in our commitment to actively support a sustainable economy by addressing environmental issues. This commitment is evidenced by our long-term vision to tap into the green energy segment, which we established back in 2012.

As a renewable energy player, OCK is equipped with EPC capabilities to build and own solar farms. OCK actively participates in various government agency initiatives such as Corporate Green Power Programme ("CGPP"), which offers business entities the opportunity to promote and utilise renewable energy in their operations. This program enables the energy generated by solar power producers to be exported through the electricity supply system of utility companies, following the rules of the New Enhanced Dispatch Arrangement ("NEDA").

Presently, OCK possesses 29 solar farms across Malaysia, totalling a capacity of 14 MW. OCK will continue to seek more viable solar sites to expand its segment. Additionally, OCK will explore strategic partnerships with state government agencies to support their transition and adoption towards a more sustainable future. These efforts align with the goals outlined in the Twelfth Malaysia Plan (2021-2025), which emphasises Malaysia's commitment to achieving net-zero GHG emissions by 2050.

As previously mentioned, OCK successfully provided power solutions for data centres in Penang and Iskandar Johor. The Company believes there are opportunities to secure more EPC contracts for data centres, and OCK is well-positioned to benefit from the brisk development of data centres.

OTHERS

Leveraging the Group's profound expertise in infrastructure management and technology deployment, OCK finds itself uniquely positioned to explore digital solutions, particularly in light of its recent contract acquisition from the MOE. The Group has been awarded a contract to provide rental services of eco-friendly ICT hardware with the objective of meeting green requirements to MOE. This strategic diversification marks a significant advancement, considering the substantial growth potential, with expectations of further orders to be awarded in the upcoming periods, riding on its proven track record.

OCK is committed to broadening its business offerings by providing a comprehensive range of solutions for connectivity and digitalisation. Building upon its expertise and experience as one of the top network service providers, OCK will offer solutions in key areas including network and cybersecurity, managed internet services as well as Smart City Digital Platforms comprising Smart Healthcare, Smart Learning and Digital Library System.

Through this strategic diversification and emphasis on key areas, OCK aims to establish itself as a premier provider of comprehensive connectivity and digitalisation solutions. This initiative aims to address the evolving needs of businesses, organisations, and communities, ensuring they have access to innovative and effective technologies to support their growth and development.

Overall, we remain optimistic about the future prospects of OCK. With a solid foundation, a commitment to innovation, and a focus on sustainability, we are confident in our ability to drive growth and deliver value to our shareholders, customers, and stakeholders.

DIVIDEND

Our foremost objective remains the creation of sustainable, long-term value and returns for our valued shareholders. On 28 February 2024, the Board is pleased to announce that the Company adopted a Dividend Policy that takes effect immediately. We are dedicated to offering our loyal shareholders an appealing dividend yield while upholding financial prudence to facilitate reinvestment in our business. Our objective is to consistently distribute dividends to shareholders, emphasising the significance of their participation in our profits.

Our dividend policy targets a minimum distribution of 20% of the consolidated normalised PATAMI for each financial year. These dividends are distributed quarterly, excluding non-operating income of a capital nature.

On 27 February 2024, The Group has announced an interim single-tier dividend of 1.0 sen per share, totalling RM10.5 million. Shareholders received this dividend on 3 April 2024.

YBHG. DATUK WIRA SAM OOI CHIN KHOON
Group Managing Director