

OOCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER ENDED 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30-Jun-19 RM'000	CURRENT YEAR TO DATE ENDED 30-Jun-20 RM'000	PRECEDING YEAR TO DATE ENDED 30-Jun-19 RM'000
Revenue	108,007	115,840	217,193	219,333
Cost of sales	(80,299)	(86,588)	(159,769)	(161,586)
Gross profit	27,708	29,252	57,424	57,747
Other income	573	967	902	1,914
Administrative expenses	(12,916)	(13,739)	(27,011)	(27,598)
Operating profit	15,365	16,480	31,315	32,063
Finance costs	(7,964)	(7,478)	(15,524)	(14,827)
Share of results of associates/ JV	266	671	266	671
Profit before tax	7,667	9,673	16,057	17,907
Taxation	(888)	(2,409)	(2,261)	(3,893)
Profit for the financial period	6,779	7,264	13,796	14,014
Other comprehensive income, net of tax:				
Foreign currency translation	(20,411)	(1,054)	20,976	2,827
Total comprehensive income for the financial period	(13,632)	6,210	34,772	16,841
Profit attributable to:				
Owners of the Company	6,401	6,992	12,979	12,327
Non-controlling interests	378	272	817	1,687
	6,779	7,264	13,796	14,014
Total comprehensive income attributable to:				
Owners of the Company	(7,003)	8,406	30,079	14,183
Non-controlling interests	(6,629)	(2,196)	4,693	2,658
	(13,632)	6,210	34,772	16,841

Note:

The Condensed Consolidated Statement of Comprehensive Income for the second quarter ended 30 June 2019 should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	UNAUDITED As at 30-Jun-20 RM'000	AUDITED As at 31-Dec-19 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	564,805	511,549
Investment properties	18,111	18,111
Right-of-use assets	173,803	186,865
Deferred tax assets	1,450	1,301
Intangible assets	171,582	165,608
Investment in joint ventures / associates	1,065	802
Trade and other receivables	2,076	5,003
	932,892	889,239
Current Assets		
Inventories	70,279	66,244
Contract assets	19,992	19,021
Other Investments	-	37,580
Trade and other receivables	286,136	301,755
Tax recoverable	1,890	2,533
Fixed deposits placed with licensed banks	5,191	14,928
Cash and bank balances	97,832	80,844
	481,320	522,905
TOTAL ASSETS	1,414,212	1,412,144
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	295,525	295,525
Warrant reserve	84,134	84,134
Revaluation reserve	7,292	7,292
Foreign currency translation reserve	(7,921)	(17,840)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Other reserve	233	236
Retained earnings	182,138	169,159
	544,394	521,499
Non-controlling interests	84,760	62,998
Total Equity	629,154	584,497
Non-Current Liabilities		
Loan and borrowings	257,845	272,112
Deferred tax liabilities	13,516	13,130
Provision for liabilities	8,340	7,656
Post employment benefit liabilities	726	650
Lease liabilities	146,890	137,016
	427,317	430,564
Current Liabilities		
Contract liabilities	-	1,443
Trade and other payables	128,181	144,116
Loan and borrowings	200,507	214,400
Lease liabilities	26,972	32,972
Derivative financial liabilities	13	13
Tax payables	2,068	4,139
	357,741	397,083
TOTAL LIABILITIES	785,058	827,647
TOTAL EQUITY AND LIABILITIES	1,414,212	1,412,144
Net assets per share attributable to owners of the Company (RM)	0.57	0.54

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020
(CONT'D)**

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Company No: 201101027780 (955915 – M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	← Attributable to owners of the Company →								
	Non-distributable				Distributable				
	Share Capital	Warrant Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Other Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	295,525	84,134	(10,548)	(17,007)	236	169,159	521,499	62,998	584,497
Effect on PPA adjustments* (Note A16)	-	-	-	-	-	-	-	-	-
At 1 January 2020, restated	295,525	84,134	(10,548)	(17,007)	236	169,159	521,499	62,998	584,497
Subscription of shares by NCI in a subsidiary	-	-	-	-	-	-	-	18,284	18,284
Dividend paid	-	-	-	-	-	-	-	(1,215)	(1,215)
Foreign currency translation	-	-	9,919	-	(3)	-	9,916	3,876	13,792
Total comprehensive income for the financial period	-	-	-	-	-	12,979	12,979	817	13,796
At 30 June 2020	295,525	84,134	(629)	(17,007)	233	182,138	544,394	84,760	629,154
At 1 January 2019	244,305	84,134	(10,866)	(17,007)	967	139,491	441,024	53,989	495,013
Disposal of subsidiaries	-	-	-	-	-	14	14	-	14
Revaluation surplus on fixed assets	-	-	100	-	-	-	100	-	100
Foreign currency translation	-	-	2,840	-	(750)	-	2,090	971	3,061
Total comprehensive income for the financial period	-	-	-	-	-	12,327	12,327	1,687	14,014
At 30 June 2019	244,305	84,134	(7,926)	(17,007)	217	151,832	455,555	56,647	512,202

Note:

*Retrospective adjustment to reflect the effects of purchase price allocation (“PPA”) of Energenetic Sdn. Bhd., Powerlator Sdn. Bhd. and Tanda Hebat Sdn. Bhd. completed in January 2019 and Frontier Integrator (Sabah) Sdn. Bhd. completed in October 2019. Please refer Note A16 for more detail.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	Current Year To Date Ended 30-Jun-20 RM'000	Preceding Year To Date Ended 30-Jun-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,057	17,907
Adjustments for:		
Depreciation	39,631	28,757
Amortisation of intangibles	1,469	1,380
Interest expenses	15,524	14,827
Interest income	(1,336)	(886)
Share of results of an associate	(266)	(671)
	<u>71,079</u>	<u>61,314</u>
Changes in working capital:		
Inventories	(4,035)	1,839
Receivables	18,547	43,778
Payables	(16,693)	(10,272)
Amount due from customer for contract works	(971)	(3,043)
	<u>67,927</u>	<u>93,616</u>
Tax paid	(4,051)	(8,607)
Interests received	1,336	886
Net cash flows from operating activities	<u>65,212</u>	<u>85,895</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in pledged deposits	9,737	-
Purchase of property, plant and equipment and investment properties	(92,887)	(73,057)
Other investments	37,580	-
Net cash flows used in investing activities	<u>(45,570)</u>	<u>(73,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(15,524)	(14,827)
Net drawdown of borrowings	(38,532)	(1,450)
Subscription of shares by non-controlling interests in a subsidiary	18,284	-
Dividends paid to:		
- non-controlling interests	(1,215)	-
Payment of lease liabilities	16,936	(7,012)
Net cash flows used in financing activities	<u>(20,051)</u>	<u>(23,289)</u>
Net change in cash and cash equivalents	(409)	(10,451)
Effects of exchange rate changes	7,025	4,818
Cash and cash equivalents:		
At the beginning of the financial period	<u>38,718</u>	<u>22,131</u>
At the end of the financial period	<u>45,334</u>	<u>16,498</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	97,832	67,753
Fixed deposits	5,191	13,725
Bank overdraft	(52,498)	(52,959)
	<u>50,525</u>	<u>28,519</u>
Less: Fixed deposits pledged with licensed banks	(5,191)	(12,021)
	<u>45,334</u>	<u>16,498</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020 (CONT'D)

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with Audited Financial Statements for the FYE 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2020

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 JUNE 2020

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

A1. Basis of Preparation

These condensed consolidated interim financial statements (“interim financial report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the FYE 31 December 2019.

A2. Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the FYE 31 December 2019 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after:

1 January 2020

Amendments/Improvements to MFRSs:

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

1 June 2020 (earlier application effective 1 January 2020)

MFRS 16	Covid-19 – Related Rent Concession (Amendments to MFRS 16)
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The adoption of the above did not have any significant effects on the interim financial report of the Group.

A3. Auditors' Report

There was no qualification on the audited financial statements of the Company and its subsidiary companies for the FYE 31 December 2019.

A4. Comments about Seasonal or Cyclical Factors

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

A5. Items of Unusual Nature and Amount

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

A6. Material Changes in Estimates

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

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

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

A8. Dividends Paid

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

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A9. Segmental Information

The segmental results of the Group for the FPE 30 June 2020 based on segment activities are as follows:

Cumulative Quarter 30 June 2020	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from External customers	201,087	11,139	709	4,258	-	-	217,193
Inter-segment revenue	8,940	1,401	2,131	3,630	-	(16,102)	-
Total Revenue	210,027	12,540	2,840	7,888	-	(16,102)	217,193
Profit before tax	18,005	170	1,301	(550)	12,646	(15,515)	16,057
Taxation	(2,056)	(13)	(312)	-	(308)	428	(2,261)
Profit for the financial year	15,949	157	989	(550)	12,338	(15,087)	13,796

Cumulative Quarter 30 June 2019	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from External customers	179,895	12,570	9,962	16,906	-	-	219,333
Inter-segment revenue	7,261	2,342	3,497	1,064	-	(14,164)	-
Total Revenue	187,156	14,912	13,459	17,970	-	(14,164)	219,333
Profit before tax	15,379	803	1,712	2,251	2,297	(4,535)	17,907
Taxation	(2,612)	(275)	(411)	(540)	(453)	398	(3,893)
Profit for the financial period	12,767	528	1,301	1,711	1,844	(4,137)	14,014

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A9. Segmental Information (Cont'd)

The segmental results of the Group for the FPE 30 June 2020 based on geographical segment are as follows:

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30 June 2020	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	95,976	121,217	-	217,193
Inter-segment revenue	15,463	639	(16,102)	-
Total Revenue	111,439	121,856	(16,102)	217,193
Profit before tax	14,650	16,922	(15,515)	16,057
Taxation	(1,174)	(1,515)	428	(2,261)
Profit for the financial period	13,476	15,407	(15,087)	13,796

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30 June 2019	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	130,899	88,434	-	219,333
Inter-segment revenue	13,547	617	(14,164)	-
Total Revenue	144,446	89,051	(14,164)	219,333
Profit before tax	9,838	12,604	(4,535)	17,907
Taxation	(2,107)	(2,184)	398	(3,893)
Profit for the financial period	7,731	10,420	(4,137)	14,014

A10. Valuation of property, plant and equipment

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

A11. Capital Commitments

As at 30 June 2020, the capital commitments are as follows:

	UNAUDITED as at 30-Jun-20 RM'000	UNAUDITED as at 30-Jun-19 RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	107,468	45,185
- approved but not contracted for	<u>124,270</u>	<u>96,429</u>
In respect of acquisition of a subsidiary		
- approved and contracted for	<u>36,194</u>	<u>145</u>

A12. Material subsequent event

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

A13. Changes in the Composition of the Group

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

A14. Contingent Liabilities and Contingent Assets

As at 30 June 2020, the contingent liabilities are as follows:

	UNAUDITED as at 30-Jun-20 RM'000	UNAUDITED as at 30-Jun-19 RM'000
Financial guarantees given by OCC Group Berhad to licensed banks for facilities granted to subsidiaries	<u>458,352</u>	<u>490,978</u>

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A15. Significant Related Party Transaction

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

Nature of Transactions	UNAUDITED	UNAUDITED
	as at 30-Jun-20 RM'000	as at 30-Jun-19 RM'000
Purchases	52	-
Media and investor relation expense	35	-
Sales	(193)	(1,262)

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

A16. Completion of Purchase Price Allocation

During the current financial period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Energenetic Sdn. Bhd. (“Energenetic”), an indirect wholly-owned subsidiary company, Powerlator Sdn. Bhd. (“Powerlator”), an indirect wholly-owned subsidiary company, Tanda Hebat Sdn. Bhd. (“Tanda Hebat”), an indirect wholly-owned subsidiary company and Frontier Integrator (Sabah) Sdn. Bhd. (“Frontier”), an indirect wholly-owned subsidiary company within the stipulated time period, i.e. twelve (12) months from the respective acquisition dates of 24 January 2019 and 1 October 2019 respectively, in accordance with MFRS 3 “Business Combinations”. Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 December 2019			
Consolidated Statement of Financial Position			
<u>Non-Current Assets</u>			
Intangible Assets	23,233	2,493	25,726
Goodwill on consolidation	142,376	(1,895)	140,481
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	-	598	598
Consolidated Statement of Changes in Equity			
Retained earnings	169,160	-	169,160

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**B1. Review of Performance**

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
30 June 2020							
Total Revenue	107,322	6,290	1,257	2,243	-	(9,105)	108,007
Profit before tax	7,705	115	532	(739)	(150)	204	7,667

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
30 June 2019							
Total Revenue	96,663	7,195	6,516	13,430	-	(7,964)	115,840
Profit before tax	7,755	133	546	2,296	2,224	(3,281)	9,673

For the current quarter ended 30 June 2020, the Group reported a lower revenue as compared to the corresponding quarter of previous year, mainly due to lower revenue contribution from Green Energy and Power Solution, Trading and M&E Engineering Services.

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

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
30 June 2020							
Total Revenue	107,322	6,290	1,257	2,243	-	(9,105)	108,007
Profit before tax	7,705	115	532	(739)	(150)	204	7,667

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
31 March 2020							
Total Revenue	102,704	6,250	1,583	5,645	-	(6,996)	109,186
Profit before tax	10,299	55	769	189	12,797	(15,719)	8,390

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

The total revenue of RM108.0 million recorded for the current quarter was lower as compared to the revenue in the preceding quarter of RM109.2 million mainly due to lower revenue contribution from Trading and M&E Engineering Services in the current quarter.

B3. Prospects

Most, if not all, companies, including OCK, experienced the negative effects brought about by the current global COVID-19 pandemic, in varying degrees, particularly in the second quarter of the year due to the mandatory shut down. OCK envisages that the market will remain challenging and volatile, mainly caused by factors triggered by the pandemic. Nevertheless, moving forward, OCK is optimistic that its businesses will quickly turn around and be on its growth path again. As we embrace the new norm in business dealings, adaptability will be essential to grow the business in the near future.

The demand for network services is expected to increase as the various restrictions imposed by the authorities pertaining to the pandemic are being eased. The Group is also very cognisant of the possibility of re-imposition of lockdowns globally if these reported second or third wave were to worsen. Re-imposition or otherwise, telecommunication operators are moving towards tower sharing to reduce their respective capital expenditure. OCK will be at the forefront to fulfil these demand for tower sharing.

TOWERCO

OCK is poised to adopt a two-prong strategy to grow its telecommunication tower business whereby the number of telecommunication towers under its portfolio will be increased as well as to further expand its existing regionally. OCK will also continue to entrench its position as one of the largest providers of telecommunication network services in Malaysia.

To date OCK has a telecommunication tower portfolio of more than 4,200 towers across Myanmar, Vietnam and Malaysia. Its towerco recurring revenue stream provides a commendable contribution to the Group. With that said, the Group's recurring income from this segment will continue to grow as OCK continues to increase its tower portfolio across the region.

In Vietnam, OCK is the largest independent telecommunication towerco with over 2,700 telecommunication sites. The Group has a pipeline of targeted telecommunication sites to be acquired in 2020 as part of its brownfield expansion plans in Vietnam.

In Myanmar, OCK provides telecommunication infrastructure and resource supply services to its clients with a track record of completing and owning more than 1,000 telecommunication sites. The Group is aggressively building and acquiring more sites in this greenfield telecommunication market.

In Malaysia, OCK has made a strong tower portfolio growth in FYE2019 as compared to previous years, owning close to 500 telecommunication sites to date. This year in 2020, albeit the limited impact from the COVID 19 Pandemic effect, OCK will still continue its growth plan at a slower pace and will also continue to add additional towers into its local portfolio.

B3. Prospects (Cont'd)**5G**

OCK is proud to announce that the Group has developed a smart pole proven to be able to support the large scale rollout of the 5G network. To date, the Group has 2 demo telecommunication sites erected in Langkawi as part of Malaysia's 5G trials and participated in the deployment of four 5G telecommunication sites in Sarawak. As a turnkey telecommunication network solutions provider, OCK is ready in terms of technical know-how and equipment solutions to support this next wave of technological expansion.

Despite the negative outlook of the global markets, OCK remains optimistic of the telecommunication industry as a whole. OCK is positive of the implementation of the RM21.6 billion NFCP in Malaysia which is already benefitting OCK with a fairly large order pipeline.

With 5G expected to be launched in the 2H 2020, OCK is in a prime position to secure more projects. With the implementation of 5G, the functionality is vast which includes smart solutions to various industries such as smart city, smart agriculture, smart traffic solutions and many more. The Group has positioned itself to capture future opportunities arising from this advancement through the partnership with China United Network Communications Group Co Ltd as they have proven track record in implementing smart city platforms and applications in a few cities in China which can be tailored to the Malaysian market's needs.

GREEN ENERGY SOLUTIONS

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

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

B4. Profit forecast

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

B5. Taxation

	Quarter Ended		Year-To-Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Taxation for the period	1,840	2,322	1,840	4,298
Deferred Tax	(952)	87	421	(405)
Total taxation	888	2,409	2,261	3,893

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

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B6. Status of Corporate Proposal

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

Private Placement

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

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

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

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

Purposes		Original Proposed Utilisation RM'000	Actual Utilisation As at 30.06.2020 RM'000	Remaining Balance RM'000	Balance After The Change RM'000	Intended Timeframe for Utilisation
(i)	Development and acquisition of green energy assets	47,160	8,004	39,156	39,156	Within 24 months
(ii)	General working capital *	5,000	-	5,000	4,058	Within 12 months
(iii)	Estimated expenses in relation to the Private Placement *	100	1,042	(942)*	-	Upon completion
Total gross proceeds		52,260	9,046	43,214	43,214	

Note:

* Being the additional private placement expenses of RM942,000 incurred.

B7. Group borrowings and debt securities

The Group's borrowings as at 30 June 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Term loans	257,845	-	257,845
Short term borrowings:-			
Overdraft	52,498	-	52,498
Bankers' acceptance	14,533	-	14,533
Revolving credit	10,179	-	10,179
Revolving project loan	37,351	-	37,351
Term loans	85,946	-	85,946
	200,507	-	200,507

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM288.6 million and RM10.2 million which are denominated in USD and IDR, respectively.

B8. Material Litigation

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

B9. Earnings Per Share

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

	Quarter Ended		Year-To-Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Group's profit attributable to equity holders of the Company (RM'000)	6,401	6,992	12,979	12,327
Weighted average number of ordinary shares ('000)	958,573	871,473	958,573	871,473
Upon conversion of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	958,573	871,473	958,573	871,473
Earnings per share (sen):				
- Basic ^	0.67	0.80	1.35	1.41
- Diluted *	0.67	0.80	1.35	1.41

Notes:

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

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

B10. Profit for the period

	Quarter Ended		Year-To-Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):	7,667	9,673	16,057	17,907
- depreciation and amortisation	21,372	16,213	41,100	30,137
- interest expenses	7,964	7,478	15,524	14,827
- interest income	(980)	(310)	(1,336)	(886)
- (gain)/loss on foreign exchange	(303)	388	(1,252)	117
- other income	407	(657)	434	(1,028)

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

B11. Dividend

No interim dividend has been proposed or declared for the current financial period ended 30 June 2020.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)

Company Secretary

Kuala Lumpur

Date: