

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30-Sep-19 RM'000	CURRENT YEAR TO DATE ENDED 30-Sep-20 RM'000	PRECEDING YEAR TO DATE ENDED 30-Sep-19 RM'000
Revenue	117,235	131,053	334,428	350,386
Cost of sales	(84,660)	(97,688)	(244,429)	(259,274)
Gross profit	32,575	33,365	89,999	91,112
Other income	1,518	668	2,420	2,582
Administrative expenses	(16,880)	(14,200)	(43,891)	(41,798)
Operating profit	17,213	19,833	48,528	51,896
Finance costs	(7,655)	(8,523)	(23,179)	(23,350)
Share of results of associates/ JV	-	167	266	838
Profit before tax	9,558	11,477	25,615	29,384
Taxation	(1,461)	(2,422)	(3,722)	(6,315)
Profit for the financial period	8,097	9,055	21,893	23,069
Other comprehensive income, net of tax:				
Foreign currency translation	(14,834)	19,316	6,143	22,143
Total comprehensive income for the financial period	(6,737)	28,371	28,036	45,212
Profit attributable to:				
Owners of the Company	6,531	8,493	19,510	20,820
Non-controlling interests	1,566	562	2,383	2,249
	8,097	9,055	21,893	23,069
Total comprehensive income attributable to:				
Owners of the Company	(7,719)	26,513	22,361	40,696
Non-controlling interests	982	1,858	5,675	4,516
	(6,737)	28,371	28,036	45,212

Note:

The Condensed Consolidated Statement of Comprehensive Income for the second quarter ended 30 September 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.

OCK GROUP BERHAD
Company No: 201101027780 (955915 – M)

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

	UNAUDITED As at 30-Sep-20 RM'000	AUDITED As at 31-Dec-19 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	580,902	511,549
Investment properties	18,111	18,111
Right-of-use assets	169,283	186,865
Deferred tax assets	1,459	1,301
Intangible assets	169,824	165,608
Investment in joint ventures / associates	1,065	802
Trade and other receivables	1,943	5,003
	942,587	889,239
Current Assets		
Inventories	70,052	66,244
Contract assets	19,287	19,021
Other Investments	-	37,580
Trade and other receivables	302,311	301,755
Tax recoverable	3,112	2,533
Fixed deposits placed with licensed banks	4,863	14,928
Cash and bank balances	70,042	80,844
	469,667	522,905
TOTAL ASSETS	1,412,254	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	7,714	7,292
Foreign currency translation reserve	(19,744)	(17,840)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Other reserve	232	236
Retained earnings	188,669	169,159
	539,523	521,499
Non-controlling interests	76,762	62,998
Total Equity	616,285	584,497
Non-Current Liabilities		
Loan and borrowings	258,609	272,112
Deferred tax liabilities	16,010	13,130
Provision for liabilities	8,530	7,656
Post employment benefit liabilities	704	650
Lease liabilities	148,977	137,016
	432,830	430,564
Current Liabilities		
Contract liabilities	-	1,443
Trade and other payables	146,695	144,116
Loan and borrowings	192,882	214,400
Lease liabilities	20,402	32,972
Derivative financial liabilities	13	13
Tax payables	3,147	4,139
	363,139	397,083
TOTAL LIABILITIES	795,969	827,647
TOTAL EQUITY AND LIABILITIES	1,412,254	1,412,144
Net assets per share attributable to owners of the Company (RM)	0.56	0.54

OOCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

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

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

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

	← Attributable to owners of the Company →								
	Non-distributable					Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Warrant Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Other Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
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	-	-	-	-	-	-	-	9,304	9,304
Dividend paid	-	-	-	-	-	-	-	(1,215)	(1,215)
Foreign currency translation	-	-	(1,482)	-	(4)	-	(1,486)	3,292	1,806
Total comprehensive income for the financial period	-	-	-	-	-	19,510	19,510	2,383	21,893
At 30 September 2020	295,525	84,134	(12,030)	(17,007)	232	188,669	539,523	76,762	616,285
At 1 January 2019	244,305	84,134	(10,866)	(17,007)	967	139,491	441,024	53,989	495,013
Acquisition of a subsidiary	-	-	-	-	-	(394)	(394)	291	(103)
Disposal of subsidiaries	-	-	-	-	-	14	14	-	14
Subscription of shares by NCI in subsidiaries	-	-	-	-	-	-	-	5,028	5,028
Dividend paid	-	-	-	-	-	-	-	(794)	(794)
Revaluation surplus on fixed assets	-	-	100	-	-	-	100	-	100
Foreign currency translation	-	-	(1,465)	-	(737)	-	(2,202)	2,267	65
Total comprehensive income for the financial period	-	-	-	-	-	20,820	20,820	2,249	23,069
At 30 September 2019	244,305	84,134	(12,231)	(17,007)	230	159,931	459,362	63,030	522,392

Note:

*Retrospective adjustment to reflect the effects of purchase price allocation (“PPA”) of Energetic 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.

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

	Current Year To Date Ended 30-Sep-20 RM'000	Preceding Year To Date Ended 30-Sep-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	25,615	29,384
Adjustments for:		
Depreciation	60,510	46,576
Amortisation of intangibles	2,237	2,080
Interest expenses	23,179	23,350
Interest income	(1,854)	(724)
Share of results of an associate	(266)	(838)
	<u>109,421</u>	<u>99,828</u>
Changes in working capital:		
Inventories	(3,808)	2,092
Receivables	31,541	28,149
Payables	(719)	(5,629)
Amount due from customer for contract works	(266)	(7,938)
	<u>136,169</u>	<u>116,502</u>
Tax paid	(6,500)	(11,200)
Interests received	1,854	724
Net cash flows from operating activities	<u>131,523</u>	<u>106,026</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(44,647)	(108)
Change in pledged deposits	906	-
Purchase of property, plant and equipment and investment properties	(90,721)	(102,777)
Other investments	37,580	-
Net cash flows used in investing activities	<u>(96,882)</u>	<u>(102,885)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(16,397)	(23,350)
Net repayment of borrowings	(19,631)	289
Subscription of shares by non-controlling interests in a subsidiary	9,304	-
Dividends paid to:		
- non-controlling interests	(1,215)	(793)
Payment of lease liabilities	(14,994)	(2,129)
Net cash flows used in financing activities	<u>(42,933)</u>	<u>(25,983)</u>
Net change in cash and cash equivalents	(8,292)	(22,842)
Effects of exchange rate changes	404	1,283
Cash and cash equivalents:		
At the beginning of the financial period	<u>26,192</u>	<u>22,131</u>
At the end of the financial period	<u>18,304</u>	<u>572</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	70,042	50,878
Fixed deposits	4,863	13,763
Bank overdraft	(51,738)	(52,323)
	<u>23,167</u>	<u>12,318</u>
Less: Fixed deposits pledged with licensed banks	(4,863)	(11,746)
	<u>18,304</u>	<u>572</u>

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

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

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

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

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

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.

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

A9. Segmental Information

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

Cumulative Quarter 30 September 2020	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from External customers	309,341	16,413	1,928	6,746	-	-	334,428
Inter-segment revenue	14,256	2,375	2,293	4,821	-	(23,745)	-
Total Revenue	323,597	18,788	4,221	11,567	-	(23,745)	334,428
Profit before tax	30,241	404	1,851	(981)	7,625	(13,525)	25,615
Taxation	(3,615)	(15)	(444)	-	(428)	780	(3,722)
Profit for the financial year	26,626	389	1,407	(981)	7,197	(12,745)	21,893

Cumulative Quarter 30 September 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	287,805	21,667	11,787	29,127	-	-	350,386
Inter-segment revenue	12,987	2,565	4,972	1,154	-	(21,678)	-
Total Revenue	300,792	24,232	16,759	30,281	-	(21,678)	350,386
Profit before tax	24,386	1,513	2,789	2,890	4,409	(6,603)	29,384
Taxation	(4,331)	(365)	(683)	(873)	(663)	600	(6,315)
Profit for the financial period	20,055	1,148	2,106	2,017	3,746	(6,003)	23,069

A9. Segmental Information (Cont'd)

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

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30 September 2020	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	146,218	188,210	-	334,428
Inter-segment revenue	22,792	953	(23,745)	-
Total Revenue	169,010	189,163	(23,745)	334,428
Profit before tax	12,559	26,582	(13,526)	25,615
Taxation	(1,850)	(2,651)	779	(3,722)
Profit for the financial period	10,709	23,931	(12,747)	21,893

Cumulative Quarter	Malaysia	Regional	Elimination	Group
30 September 2019	RM'000	RM'000	RM'000	RM'000
Revenue from				
External customers	215,227	135,159	-	350,386
Inter-segment revenue	20,747	931	(21,678)	-
Total Revenue	235,974	136,090	(21,678)	350,386
Profit before tax	20,614	15,373	(6,603)	29,384
Taxation	(3,634)	(3,281)	600	(6,315)
Profit for the financial period	16,980	12,092	(6,003)	23,069

A10. Valuation of property, plant and equipment

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

A11. Capital Commitments

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

	UNAUDITED	UNAUDITED
	as at	as at
	30-Sep-20	30-Sep-19
	RM'000	RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	82,003	36,047
- approved but not contracted for	120,584	97,747
	<u>120,584</u>	<u>97,747</u>
In respect of acquisition of a subsidiary		
- approved and contracted for	-	145
	<u>-</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 September 2020, the contingent liabilities are as follows:

	UNAUDITED	UNAUDITED
	as at	as at
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Financial guarantees given by OCC Group Berhad to licensed banks for facilities granted to subsidiaries	451,491	492,075
	<u>451,491</u>	<u>492,075</u>

A15. Significant Related Party Transaction

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

Nature of Transactions	UNAUDITED as at 30-Sep-20 RM'000	UNAUDITED as at 30-Sep-19 RM'000
Consultancy fee	-	246
Purchases	93	-
Media and investor relation expense	93	-
Sales	(178)	(1,524)
	<hr/>	<hr/>

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	169,159	-	169,159

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
30 September 2020							
Total Revenue	113,570	6,248	1,380	3,680	-	(7,643)	117,235
Profit before tax	12,236	234	550	(431)	(5,021)	1,990	9,558

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

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

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

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

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

The total revenue of RM117.2 million recorded for the current quarter was higher as compared to the revenue in the preceding quarter of RM108.0 million mainly due to higher 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 national digital infrastructure plan known as Jalinan Digital Negara (Jendela) which is estimated to cost approximately RM21 billion in Malaysia which is already benefitting OCK directly and indirectly with a sizeable order pipeline.

With the advancement of 5G in the future, OCK is in a prime position to secure more projects. With the implementation of 5G, the demand for telecommunication sites will increase by 3-4 times as compared to the number of 4G sites. The functionality for 5G 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-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Taxation for the period	2,294	2,754	2,294	7,052
Deferred Tax	(833)	(332)	1,428	(737)
Total taxation	1,461	2,422	3,722	6,315

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

B6. Status of Corporate Proposal

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

Private Placement

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

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

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

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

Purposes		Original Proposed Utilisation RM'000	Actual Utilisation As at 30.09.2020 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	47,160	-	-	Within 24 months
(ii)	General working capital *	5,000	4,058	942	-	Within 12 months
(iii)	Estimated expenses in relation to the Private Placement *	100	1,042	(942)*	-	Upon completion
Total gross proceeds		52,260	52,260	-	-	

Note:

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

B7. Group borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Term loans	258,609	-	258,609
Short term borrowings:-			
Overdraft	51,738	-	51,738
Bankers' acceptance	15,849	-	15,849
Revolving credit	12,970	-	12,970
Revolving project loan	31,765	-	31,765
Term loans	80,560	-	80,560
	192,882	-	192,882

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM273.3 million and RM9.5 million which are denominated in USD and IDR, respectively.

B8. Material Litigation

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

B9. Earnings Per Share

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

	Quarter Ended		Year-To-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Group's profit attributable to equity holders of the Company (RM'000)	6,531	8,493	19,510	20,820
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 ^	0.68	0.97	2.04	2.39
- Diluted *	0.68	0.97	2.04	2.39

Notes:

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

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

B10. Profit for the period

	Quarter Ended		Year-To-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):	9,558	11,477	25,615	29,384
- depreciation and amortisation	21,647	18,520	62,747	48,655
- interest expenses	7,655	8,523	23,179	23,350
- interest income	(518)	162	(1,854)	(724)
- (gain)/loss on foreign exchange	1,804	71	552	188
- other income	(1,000)	(830)	(566)	(1,858)

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 September 2020.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)

Company Secretary

Kuala Lumpur

Date: