

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31-Dec-20 RM'000	CURRENT YEAR TO DATE ENDED 31-Dec-21 RM'000	PRECEDING YEAR TO DATE ENDED 31-Dec-20 RM'000
Revenue	135,714	139,078	484,232	473,506
Cost of sales	(99,532)	(103,038)	(357,633)	(347,467)
Gross profit	36,182	36,040	126,599	126,039
Other income	1,700	2,788	5,029	5,208
Administrative expenses	(18,494)	(21,690)	(65,050)	(65,581)
Operating profit	19,388	17,138	66,578	65,666
Finance costs	(8,693)	(7,332)	(27,853)	(30,511)
Share of results of associates/ JV	-	(282)	-	(16)
Profit before tax	10,695	9,524	38,725	35,139
Taxation	(342)	(929)	(5,676)	(4,651)
Profit for the financial period	10,353	8,595	33,049	30,488
Other comprehensive income, net of tax:				
Realisation of revaluation reserve	-	-	-	-
Actuarial gain from employee benefits	(61)	47	(61)	47
Foreign currency translation	(6,071)	(17,974)	17,275	(11,832)
Total comprehensive income for the financial period	4,221	(9,332)	50,263	18,703
Profit attributable to:				
Owners of the Company	6,846	6,401	25,945	25,911
Non-controlling interests	3,507	2,194	7,104	4,577
	10,353	8,595	33,049	30,488

Note:

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

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	UNAUDITED As at 31-Dec-21 RM'000	AUDITED As at 31-Dec-20 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	674,416	597,036
Investment properties	19,780	17,761
Right-of-use assets	165,263	173,420
Deferred tax assets	1,183	1,496
Intangible assets	183,781	180,251
Investment in joint ventures / associates	199	201
Trade and other receivables	15,882	20,438
	1,060,504	990,603
Current Assets		
Inventories	66,131	63,414
Contract assets	65,085	76,585
Other Investments	201	582
Trade and other receivables	183,709	189,160
Tax recoverable	2,847	3,620
Fixed deposits placed with licensed banks	9,805	11,944
Cash and bank balances	88,137	66,994
	415,915	412,299
TOTAL ASSETS	1,476,419	1,402,902
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	303,683	295,526
Warrant reserve	10,112	-
Share option reserve	840	-
Revaluation reserve	7,186	7,188
Foreign currency translation reserve	(19,896)	(29,146)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Other reserve	233	252
Retained earnings	306,875	279,585
	592,026	536,398
Non-controlling interests	83,413	85,073
Total Equity	675,439	621,471
Non-Current Liabilities		
Loan and borrowings	128,195	229,190
Deferred tax liabilities	19,544	19,845
Deferred income	2,019	1,936
Provision for liabilities	11,514	9,522
Post employment benefit liabilities	753	738
Lease liabilities	132,493	135,481
	294,518	396,712
Current Liabilities		
Contract liabilities	1,221	2,394
Trade and other payables	158,078	144,706
Loan and borrowings	310,368	204,437
Lease liabilities	34,442	29,510
Tax payables	2,353	3,672
	506,462	384,719
TOTAL LIABILITIES	800,980	781,431
TOTAL EQUITY AND LIABILITIES	1,476,419	1,402,902
Net assets per share attributable to owners of the Company (RM)	0.56	0.56

OCK GROUP BERHAD

Company No: 201101027780 (955915 – M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2021 (CONT'D)**

Note:

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company							Total	Non-Controlling Interests	Total Equity
	Non-distributable				Distributable					
	Share Capital	Warrant Reserve	Share Option Reserve	Translation / Revaluation Reserve	Reverse Acquisition Reserve	Other Reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	295,526	-	-	(21,958)	(17,007)	252	279,585	536,398	85,073	621,471
Effect on PPA adjustments* (Note A16)	-	-	-	-	-	-	1,404	1,404	-	1,404
At 1 January 2021, restated	295,526	-	-	(21,958)	(17,007)	252	280,989	537,802	85,073	622,875
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(1,134)	(1,134)
Redemption of shares by NCI in a subsidiary	-	-	-	-	-	-	-	-	(10,936)	(10,936)
Dividend paid	-	-	-	-	-	-	-	-	(3,328)	(3,328)
Employee share option	-	-	840	-	-	-	-	840	-	840
Right issue	19,171	-	-	-	-	-	-	19,171	-	19,171
Warrant Issues	(10,112)	10,112	-	-	-	-	-	-	-	-
Exercise of ESOS	19	-	-	-	-	-	-	19	-	19
Share issuance expenses	(925)	-	-	-	-	-	-	(925)	-	(925)
Actuarial loss from employee benefits	-	-	-	-	-	-	(61)	(61)	-	(61)
Foreign currency translation	-	-	-	9,248	-	(19)	-	9,229	6,634	15,863
Realisation of revaluation reserve	-	-	-	-	-	-	2	2	-	2
Transfer to warrant reserve	4	-	-	-	-	-	-	4	-	4
Total comprehensive income for the financial period	-	-	-	-	-	-	25,945	25,945	7,104	33,049
At 31 December 2021	303,683	10,112	840	(12,710)	(17,007)	233	306,875	592,026	83,413	675,439
At 1 January 2020	295,525	84,134	-	(10,548)	(17,007)	236	169,405	521,745	62,998	584,743
Exercise of Warrants	-	(84,133)	-	-	-	-	84,133	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	691	691
Arising from acquisition/incorporation of subsidiaries	-	-	-	-	-	-	-	-	265	265
Issuance of shares pursuant to exercise of warrants	1	(1)	-	-	-	-	-	-	-	-
Subscription of shares by NCI in a subsidiary	-	-	-	-	-	-	-	-	18,284	18,284
Dividends paid on shares	-	-	-	-	-	-	-	-	(1,215)	(1,215)
Actuarial gain from employee benefits	-	-	-	-	-	-	46	46	1	47
Foreign currency translation reserve	-	-	-	(11,304)	-	-	-	(11,304)	(528)	(11,832)
Realisation of revaluation reserve	-	-	-	(104)	-	-	104	-	-	-
Appropriation to owners' other capital	-	-	-	(2)	-	16	(14)	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	25,911	25,911	4,577	30,488
At 31 December 2020	295,526	-	-	(21,958)	(17,007)	252	279,585	536,398	85,073	621,471

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Note:

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

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Current Year To Date Ended 31-Dec-21 RM'000	Preceding Year To Date Ended 31-Dec-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,725	35,139
Adjustments for:		
Bad debts written off	657	619
Depreciation	86,978	84,039
Amortisation of intangibles	4,717	3,930
Amortisation of government grants	(125)	(104)
Fair value loss/(gain) on derivative instruments	-	(13)
Fair value loss on investment properties	211	350
Gain on disposal of a subsidiary	(950)	(60)
Gain on lease modification	-	(102)
Goodwill written off	550	246
Employee share option expense	840	-
Impairment losses on receivables	360	603
Interest expenses	27,853	30,511
Income from short term cash investments	-	(357)
Interest income	(1,719)	(1,856)
Inventories written off	-	2
Loss on waiver of debts	95	5
Loss on derecognition of an associate	-	49
Net loss/(gain) on disposal of property, plant and equipment	-	127
Net loss/(gain) on disposal of right-of-use	-	(114)
Net unrealised (gain)/loss on foreign exchange	-	(403)
Property, plant and equipment written off	110	116
Share of results of an associate	-	16
Provision for post employment benefits	(61)	124
Unwinding effect on provision for site restoration	-	334
	<u>158,241</u>	<u>153,201</u>
Changes in working capital:		
Inventories	(2,717)	3,142
Receivables	8,945	46,914
Payables	15,446	(10,527)
Amount due from customer for contract works	11,500	3,442
Amount due to customer for contract works	(1,172)	(428)
	<u>190,243</u>	<u>195,744</u>
Tax paid	(6,208)	(8,656)
Tax refunded	-	915
Interest paid	-	(9,930)
Interest received	1,719	1,856
Net cash flows from operating activities	<u>185,754</u>	<u>179,929</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(50)	(43,797)
Advances to ultimate holding company	-	(96)
Advances to related parties	-	(270)
Repayment from/(Advances to) an associated company	-	1,545
Change in pledged deposits	(4,672)	636
Income from short term cash investments	-	357
Net decrease / (increase) in other investments	-	36,998
Proceeds from disposal of property plant and equipment	-	437
Proceeds from disposal of right-of-use assets	-	2,990
Purchase of property, plant and equipment and investment properties	(130,977)	(97,632)
Other investments	381	-
Net cash flows used in investing activities	<u>(135,318)</u>	<u>(98,832)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	Current Year To Date Ended 31-Dec-21 RM'000	Preceding Year To Date Ended 31-Dec-20 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from a related party	-	2,454
Advances from directors of subsidiaries	-	960
(Repayment to)/Advances from minority shareholders of subsidiaries	-	(932)
Interest paid	(19,050)	(20,581)
Fixed deposits held as security values	-	-
Net change in amount due from a related party	-	-
Net repayment of borrowings	(100,923)	(58,123)
Net drawdown of borrowings	103,919	40,448
Proceed from issuance of shares	19,194	1
Share issuance expenses	(925)	-
Subscription of shares by non-controlling interests in a subsidiary	(10,920)	18,284
Dividends paid to:		
- non-controlling interests	(3,328)	(1,215)
Net payment of lease liabilities	(34,425)	(41,855)
Net cash flows used in financing activities	(46,458)	(60,559)
Net change in cash and cash equivalents	3,978	20,538
Effects of exchange rate changes	8,414	(86)
Cash and cash equivalents:		
At the beginning of the financial period	46,644	26,192
At the end of the financial period	59,036	46,644
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	88,137	66,994
Fixed deposits	9,805	11,944
Bank overdraft	(29,101)	(27,161)
	68,841	51,777
Less: Fixed deposits pledged with licensed banks	(9,805)	(5,133)
	59,036	46,644

Note:

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

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2021

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

A1. Basis of Preparation

These condensed consolidated interim financial statements (“interim financial report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the FYE 31 December 2020.

A2. Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the FYE 31 December 2020 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after 1 January 2021:

Amendments/Improvements to MFRSs:

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

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

A3. Auditors’ Report

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

A4. Comments about Seasonal or Cyclical Factors

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

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A5. Items of Unusual Nature and Amount

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

A6. Material Changes in Estimates

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

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

During the financial period ended 31 December 2021, a total of 23,100 new ordinary shares were issued pursuant to the exercise of the Employees' Share Option Scheme (ESOS). Detail of the issued and paid up capital of the Company as at 31 December 2021 are as follows:

	No. of Shares Unit'000	RM'000
As at 30 September 2021	1,054,457	303,677
Ordinary shares issued pursuant to the ESOS	23	6
As at 31 December 2021	1,054,480	303,683

Other than the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter and financial year ended 31 December 2021.

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 FYE 31 December 2021 based on segment activities are as follows:

Cumulative Quarter 31 December 2021	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
Revenue from External customers	436,441	36,429	9,703	1,659	-	-	484,232
Inter-segment revenue	20,740	4,539	4,457	-	-	(29,736)	-
Total Revenue	457,181	40,968	14,160	1,659	-	(29,736)	484,232
Profit before tax	39,473	3,597	4,551	(4,083)	18,280	(23,093)	38,725
Taxation	(6,492)	(767)	(1,092)	-	(228)	2,903	(5,676)
Profit for the financial period	32,981	2,830	3,459	(4,083)	18,052	(20,190)	33,049

Cumulative Quarter 31 December 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	429,149	29,084	5,167	10,106	-	-	473,506
Inter-segment revenue	37,640	3,121	1,196	6,871	-	(48,828)	-
Total Revenue	466,789	32,205	6,363	16,977	-	(48,828)	473,506
Profit before tax	43,004	(274)	2,789	(2,742)	(343)	(7,295)	35,139
Taxation	(5,129)	218	(719)	395	(534)	1,118	(4,651)
Profit for the financial period	37,875	(56)	2,070	(2,347)	(877)	(6,177)	30,488

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A9. Segmental Information (Cont'd)

The segmental results of the Group for the FYE 31 December 2021 based on geographical segment are as follows:

Cumulative Quarter 31-December-21	Malaysia RM'000	Regional RM'000	Elimination RM'000	Group RM'000
Revenue from				
External customers	240,540	243,692	-	484,232
Inter-segment revenue	28,493	1,243	(29,736)	-
Total Revenue	269,033	244,935	(29,736)	484,232
Profit before tax	38,465	23,353	(23,093)	38,725
Taxation	(5,051)	(3,528)	2,903	(5,676)
Profit for the financial period	33,414	19,825	(20,190)	33,049

Cumulative Quarter 31-December-20	Malaysia RM'000	Regional RM'000	Elimination RM'000	Group RM'000
Revenue from				
External customers	220,015	253,491	-	473,506
Inter-segment revenue	28,681	1,259	(29,940)	-
Total Revenue	248,696	254,750	(29,940)	473,506
Profit before tax	8,069	26,670	400	35,139
Taxation	(2,336)	(3,161)	846	(4,651)
Profit for the financial period	5,733	23,509	1,246	30,488

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 31 December 2021, the capital commitments are as follows:

	UNAUDITED	AUDITED
	as at	as at
	31-Dec-21	31-Dec-20
	RM'000	RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	125,074	61,312
- approved but not contracted for	229,836	116,565
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In respect of acquisition of a subsidiary		
- approved and contracted for	-	1,629
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A12. Material subsequent event

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

A13. Changes in the Composition of the Group

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

A14. Contingent Liabilities and Contingent Assets

As at 31 December 2021, the contingent liabilities are as follows:

	UNAUDITED	AUDITED
	as at	as at
	31-Dec-21	31-Dec-20
	RM'000	RM'000
Financial guarantees given by OCC Group Berhad to licensed banks for facilities granted to subsidiaries	440,916	422,101
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A15. Significant Related Party Transaction

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

Nature of Transactions	UNAUDITED as at 31-Dec-21 RM'000	AUDITED as at 31-Dec-20 RM'000
Consultancy fee	267	282
Interest expense	486	175
Purchases	335	206
Sales	13	(187)
Finance charges received / receivable	-	(22)

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

A16. Completion of Purchase Price Allocation

During the current financial period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Solar System & Power Sdn. Bhd. (“SSP”), an indirect wholly-owned subsidiary company within the stipulated time period, i.e. twelve (12) months from the respective acquisition date of 12 February 2020, in accordance with MFRS 3 “Business Combinations”. Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 December 2020			
Consolidated Statement of Financial Position			
<u>Non-Current Assets</u>			
Intangible Assets	40,604	6,791	47,395
Goodwill on consolidation	139,647	(3,757)	135,890
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	-	(1,630)	1,630
Consolidated Statement of Changes in Equity			
Retained earnings	169,159	(1,404)	170,563

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

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The shareholders approved the scheme at an Extraordinary General Meeting held on 11 November 2020 and shall be in force for five years until 12 November 2025. Accordingly, in compliance with Malaysia Financial Reporting Standard, MFRS 2 on Share-based payment, a total ESOS cost for share options that amounted to RM1,541,100 was charged to income statements for the current financial period of RM844,091

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
31 December 2021							
Total Revenue	126,578	10,487	2,743	86	-	(4,180)	135,714
Profit before tax	10,631	540	808	(1,017)	(227)	(40)	10,695

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 December 2020							
Total Revenue	119,808	12,671	3,239	3,360	-	-	139,078
Profit before tax	12,763	(678)	938	(1,761)	(7,968)	6,230	9,524

For the current quarter ended 31 December 2021, the Group reported a lower revenue as compared to the corresponding quarter of the 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
31 December 2021							
Total Revenue	126,578	10,487	2,743	86	-	(4,180)	135,714
Profit before tax	10,631	540	808	(1,017)	(227)	(40)	10,695

Individual Quarter	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Elimination RM'000	Group RM'000
30 September 2021							
Total Revenue	112,261	11,089	8,550	428	-	(13,620)	118,708
Profit before tax	8,224	1,655	2,246	(798)	7,828	(10,649)	8,506

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

The total revenue of RM135.7 million recorded for the current quarter was higher as compared to the revenue in the preceding quarter of RM118.7 million mainly due to higher revenue contribution from Telecommunication Network Services.

B3. Prospects

As global economies continue on the path to recovery from the COVID-19 pandemic, OCK Group Berhad ("OCK" or the "Group") is optimistic that telecommunication infrastructures remains essential which is further emphasized by the ever-growing reliance on internet and data. The adoption of new technologies such as 5G, signals the importance of building strong telecommunication infrastructures in which OCK is ready to deliver.

Telecommunication Network Services (TNS)

The Malaysian government has continued to make progress to upgrade the telecommunication technology and infrastructure. As the largest telecommunication network solutions ("TNS") provider in Malaysia, OCK's financial performance in the TNS segment has been thriving due to the delivery of contracts for the national digital infrastructure plan or more commonly referred to by its abbreviation in Malay, *JENDELA*.

Under the *JENDELA* programme, OCK has been awarded additional orders of more than RM170 million indirectly from clients such as Numix and mobile network operators. Overall, OCK currently has an order book of more than RM280 million.

Moving forward, OCK will continue to tender for more projects under this programme that are related to 5G, telecommunication infrastructure works, CME and others. For the year under review, the Group's TNS business grew by 6% as compared to FY2020.

Towerco

To date, OCK has garnered a strong presence in the Southeast Asia region, owning a telecommunication tower portfolio of more than 4,600 sites. We are expanding our existing telecommunication tower business both locally and regionally via organic and inorganic means.

In Malaysia, we foresee abundant of jobs through the implementation of 5G nationwide by Digital Nasional Bhd ("DNB") where DNB is expected to deploy 3,000 to 4,000 5G telecommunication sites in 2022. We are optimistic that we will be able to obtain more build to suit new site orders directly that will increase the size of our tower portfolio. Through this, OCK will also be able to increase the tenancy ratio of existing sites.

In Vietnam, OCK has completed the acquisition of close to 500 telecommunication towers in 2021. For 2022, the Group has a pipeline of 800 telecommunication towers to be acquired.

For Myanmar, the Group delivered more than 70 towers in 2021. Moving forward, OCK will continue to build and deliver the order book on hand in 2022.

B3. Prospects (Cont'd)

Managed Services

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

Indonesia continues to be the largest market for OCK where revenue for FY2021 increased by 16% as compared to FY2020. OCK is one of the largest independent managed services companies there with 49,200 telecommunication sites under management, which make up almost 45% of the total telecommunication sites in Indonesia and this is expected to continue growing.

In Malaysia, OCK manages approximately 5,300 telecommunication sites, equivalent to approximately 15% of the total telecommunication sites in Malaysia. Through DNB and the JENDELA programme, there will be at least 3,000 to 4,000 more sites to be built, in which OCK is optimistic of securing a sizable portion of these sites.

As OCK seeks to increase its market share in Indonesia and Malaysia, it will explore other regions for related opportunities.

GREEN ENERGY SOLUTIONS

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. In FY2021, the Segment's revenue increased by 25% as compared to FY2020.

OCK is actively participating in the government agencies' initiatives on large scale solar projects to expand its renewable energy footprint, including opportunities under the Net Energy Metering ("NEM") scheme with large corporations and local authorities. To date, OCK owns 17 solar farms in Malaysia with total capacity of 11.3MW. Under this NEM programme, the Group will be constructing 18 rooftop solar farms with a total capacity of 1.8MW in Kuala Terengganu.

B4. Profit forecast

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

B5. Taxation

	Quarter Ended		Year-To-Date Ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Taxation for the period	2,567	92	9,294	6,240
Deferred Tax	(2,225)	837	(3,618)	(1,589)
Total taxation	342	929	5,676	4,651

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

B6. Status of Corporate Proposal

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

B7. Group borrowings and debt securities

The Group's borrowings as at 31 December 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Term loans	165,054	-	165,054
Short term borrowings:-			
Overdraft	29,101	-	29,101
Bankers' acceptance	23,956	-	23,956
Revolving credit	10,462	-	10,462
Revolving project loan	46,668	-	46,668
Term loans	163,322	-	163,322
	<u>273,509</u>	-	<u>273,509</u>
			<u>438,563</u>

The above borrowings are denominated in Ringgit Malaysia, except for term loans amounting to RM237.1 million and RM1.5 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	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Group's profit attributable to equity holders of the Company (RM'000)	6,846	6,401	25,945	25,911
Weighted average number of ordinary shares ('000)	1,054,480	958,574	1,054,480	958,574
Upon conversion of warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<u>1,054,480</u>	<u>958,574</u>	<u>1,054,480</u>	<u>958,574</u>
Earnings per share (sen):				
- Basic ^	0.65	0.66	2.46	2.70
- Diluted *	<u>0.65</u>	<u>0.66</u>	<u>2.46</u>	<u>2.70</u>

B9. Earnings Per Share (Cont'd)

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	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Profit before tax is arrived at after charging/(crediting):	10,695	9,524	38,725	35,139
- depreciation and amortisation	24,917	25,118	91,570	87,865
- interest expenses	8,693	7,332	27,853	30,511
- interest income	(1,060)	728	(1,719)	(1,856)
- (gain)/loss on foreign exchange	935	(52)	542	500
- other income	(640)	(3,516)	(2,360)	(3,352)
- net gain on disposal of subsidiary company	-	-	(950)	-

B11. Declared Dividend

The Board of Directors has declared a single-tier interim dividend of RM0.005 per share in respect of Financial Year Ended 31 December 2021, which will be payable on 25 March 2022. The entitlement date has been fixed on 11 March 2022 based on the record of depositors of the Company on the same date.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)
 Company Secretary
 Kuala Lumpur
 Date: