

OCK GROUP BERHAD ("OCK" OR THE "COMPANY")

- I. PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 290,488,499 NEW ORDINARY SHARES OF RM0.10 EACH IN OCK ("OCK SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING OCK SHARES HELD TOGETHER WITH UP TO 290,488,499 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR, BASED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS");**
- II. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF OCK FROM RM100,000,000 COMPRISING 1,000,000,000 OCK SHARES TO RM200,000,000 COMPRISING 2,000,000,000 OCK SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL"); AND**
- III. PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF OCK ("PROPOSED AMENDMENT")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the Board of Directors of OCK ("Board"), RHB Investment Bank Berhad ("RHBIB") is pleased to announce that the Company proposes to undertake the following:-

- i. a renounceable rights issue of up to 290,488,499 Rights Shares on the basis of one (1) Rights Share for every two (2) existing OCK Shares held together with up to 290,488,499 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, based on an entitlement date to be determined later ("Entitlement Date");
- ii. increase in authorised share capital of OCK from RM100,000,000 comprising 1,000,000,000 OCK Shares to RM200,000,000 comprising 2,000,000,000 OCK Shares; and
- iii. amendment to the Memorandum of Association of OCK.

Further details on the Proposals are set out in the ensuing sections.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Rights Issue with Warrants

2.1.1 Basis and number of Rights Shares and Warrants to be issued

The Proposed Rights Issue with Warrants entails an issuance of up to 290,488,499 Rights Shares on a renounceable basis of one (1) Rights Share for every two (2) existing OCK Shares held together with up to 290,488,499 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, by the shareholders of OCK whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("Entitled Shareholders").

The issued and paid-up share capital of OCK as at 7 July 2015, being the latest practicable date prior to the date of this announcement ("LPD"), is RM52,816,091 comprising 528,160,908 OCK Shares.

In addition, as at the LPD, there are 52,816,090 employees' share options ("ESOS Options") which have yet to be granted. Each ESOS Option entitles the option holder to exercise into one (1) new OCK Share.

Assuming all the 52,816,090 ESOS Options have been granted and exercised prior to the Entitlement Date, a total of 290,488,499 Rights Shares together with 290,488,499 Warrants will be issued in the event all the Entitled Shareholders and/ or their renouncee(s) fully subscribe for their entitlements under the Proposed Rights Issue with Warrants. In addition, upon full exercise of the 290,488,499 Warrants, a total of 290,488,499 new OCK Shares will be issued.

The Proposed Rights Issue with Warrants is to be undertaken on a maximum subscription level basis as detailed in Section 2.1.4 of this announcement. The actual number of the Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants would depend on the issued and paid-up share capital of the Company as at the Entitlement Date.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company as supplemented from time to time ("Deed Poll").

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For the avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

Fractional entitlements of the Rights Shares and the Warrants arising from the Proposed Rights Issue with Warrants, if any, shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company.

For illustrative purposes throughout this announcement, the effects of the Proposed Rights Issue with Warrants shall be illustrated based on the following two (2) scenarios:-

- | | | |
|-------------------------|---|--|
| Minimum Scenario | : | Assuming none of the 52,816,090 ESOS Options are granted and exercised prior to the Entitlement Date for the Proposed Rights Issue with Warrants |
| Maximum Scenario | : | Assuming all the 52,816,090 ESOS Options are granted and exercised prior to the Entitlement Date for the Proposed Rights Issue with Warrants |

2.1.2 Basis of determining and justification for the issue price of the Rights Shares

The issue price of the Rights Shares shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, at a price that is deemed appropriate after taking into consideration the theoretical ex-rights price of OCK Shares based on the five (5)-day weighted average market price ("WAMP") of OCK Shares immediately preceding the price fixing date. In any event, the issue price of the Rights Shares will not be lower than the par value of OCK Shares of RM0.10 each.

For illustrative purposes only, the Rights Shares are assumed to be issued at an indicative issue price of RM0.50 per Rights Share, which represents a discount of approximately 31.51% to the theoretical ex-rights price ("TERP") of OCK Shares of RM0.73, calculated based on the five (5)-day WAMP of OCK Shares up to and including the LPD of RM0.84.

The discount of the issue price of the Rights Shares shall be determined by the Board after taking into consideration the following:-

- i. The issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders whilst taking into consideration the funding requirements of OCK and its subsidiary companies ("OCK Group" or "Group") as set out in Section 2.1.8 of this announcement. Such issue price in any event shall not be lower than the par value of OCK Shares; and
- ii. The past and current trading price of OCK Shares.

2.1.3 Basis of determining and justification for the exercise price of the Warrants

The Warrants attached to the Rights Shares will be issued at no cost to the Entitled Shareholders who subscribe for the Rights Shares.

The exercise price of the Warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration the TERP of OCK Shares based on the five (5)-day WAMP of OCK Shares immediately preceding the price-fixing date. In any event, the exercise price of the Warrants will not be lower than the par value of OCK Shares of RM0.10 each.

For illustrative purposes only, the Warrants are assumed to be exercised at an indicative exercise price of RM0.73 per Warrant, which represents the TERP of OCK Shares, calculated based on the five (5)-day WAMP of OCK Shares up to and including the LPD of RM0.84.

2.1.4 Substantial shareholders' undertakings and underwriting arrangements

The Board has determined to undertake the Proposed Rights Issue with Warrants on a maximum subscription level basis via the issuance of up to 290,488,499 Rights Shares ("Maximum Subscription Level"). The Maximum Subscription Level has been determined by the Board after taking into consideration the level of funds that the Company intends to raise from the Proposed Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 2.1.8 of this announcement.

Certain substantial shareholders of OCK, namely Aliran Armada Sdn Bhd and Ooi Chin Khoon (collectively referred to as the "Undertaking Shareholders"), had, on 13 July 2015, provided their respective irrevocable undertakings to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants based on their shareholdings as at 7 July 2015, and also any additional entitlements under the Proposed Rights Issue with Warrants, in the event that they increase their shareholdings in OCK from 7 July 2015 up to and including the Entitlement Date ("Undertakings").

A summary of the Undertakings is set out below:-

Undertaking Shareholders	Shareholdings as at the LPD		Entitlements and Undertakings under the Proposed Rights Issue with Warrants	
	No. of Shares	%	No. of Shares	% ^{*1}
Aliran Armada Sdn Bhd	210,322,500	39.82	105,161,250	36.20
Ooi Chin Khoon	5,250,000	0.99	2,625,000	0.90
Total	215,572,500	40.81	107,786,250	37.10

Note:-

^{*1} Calculated based on 290,488,499 Rights Shares available for subscription under the Maximum Scenario

Accordingly, for illustrative purposes only, based on the indicative issue price of RM0.50 per Rights Share, the funding requirements for the Undertaking Shareholders pursuant to their Undertakings are approximately RM53.89 million. The Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfil the Undertakings.

Under the Maximum Subscription Level basis, the remaining portion of the Rights Shares with Warrants for which no Undertakings have been obtained shall be fully underwritten. The underwriting arrangement shall be made once all relevant approvals have been procured and prior to the announcement of the Entitlement Date. Based on the aforesaid basis and Undertakings, the Proposed Rights Issue with Warrants is not expected to give rise to any mandatory general offer obligation pursuant to the Malaysian Code on Take-Overs and Mergers, 2010.

2.1.5 Ranking of the Rights Shares and new OCK Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing OCK Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the Rights Shares.

The new OCK Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing OCK Shares, save and except that the new OCK Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the said new OCK Shares.

2.1.6 Listing of and quotation for the Rights Shares, Warrants and new OCK Shares to be issued arising from the exercise of the Warrants

An application will be made to Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission of the Warrants to the official list of Bursa Securities as well as the listing of and quotation for the Rights Shares, the Warrants and the new OCK Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

2.1.7 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out below:-

Issue size	:	Up to 290,488,499 Warrants to be issued in conjunction with the Proposed Rights Issue with Warrants to the Entitled Shareholders on the basis of one (1) Warrant for every one (1) Rights Share subscribed for
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Expiry date/ Exercise period	:	The day falling five (5) years from and including the date of issue of the Warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day
Exercise price	:	The exercise price of the Warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date
Exercise rights	:	Each Warrant shall entitle the registered holder of the Warrants to subscribe for one (1) new Share at any time during the exercise period at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll
Mode of exercise	:	The registered holder of the Warrants is required to lodge a subscription form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped and shall pay by way of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia for the aggregate of the exercise price payable when subscribing for the Shares
Adjustments in the exercise price and/ or number of Warrants	:	The exercise price and/ or the number of unexercised Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of, amongst others, capital distribution, rights issue of shares or convertible securities, bonus issue, consolidation or subdivision or conversion of shares, issuance of shares by way of capitalisation of profits or reserves, reduction of capital, or any other events in accordance with the provisions of the Deed Poll
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, unless otherwise revised by the relevant authorities

Ranking of new Shares to be issued pursuant to the exercise of the Warrants	:	The new Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank <i>pari passu</i> in all respects with the existing Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new Shares arising from the exercise of the Warrants
Rights of the Warrant holders	:	The holders of the Warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/ or other forms of distribution other than on winding up, compromise or arrangement of OCK as set out in the Deed Poll governing the Warrants and/ or offer of further securities in OCK until and unless such holders of the Warrants exercise their Warrants into new Shares
Rights in the event of winding up, liquidation, compromise and/ or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then every holder of the Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/ her Warrants to the Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/ she had on such date been the holder of the new Shares to which he/ she would have been entitled to pursuant to such exercise
Listing Status	:	The Warrants shall be listed and quoted on the Main Market of Bursa Securities
Modification	:	Any modification to the provisions of the Deed Poll (including the form and content of the Warrant Certificate) requires sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or are relating purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interest of the Warrant holders. Such amendments may be effected only by Deed Poll executed by the Company and expressed to be supplemental to the Deed Poll and subject to the relevant provisions of the Deed Poll being complied with
Governing law	:	The Warrants and the Deed Poll shall be governed by the laws and regulations of Malaysia

2.1.8 Utilisation of proceeds

Based on the indicative issue price of RM0.50 per Rights Share, the Proposed Rights Issue with Warrants is expected to raise gross proceeds of up to RM145.24 million and the intended utilisation are set out below:-

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Business expansion ^{*1}	Within 24 months from completion	115,000	130,000
Working capital ^{*2}	Within 24 months from completion	14,690	12,894
Estimated expenses in relation to the Proposals ^{*3}	Upon completion	2,350	2,350
Total		132,040	145,244

Notes:-

^{*1} The proceeds earmarked for business expansion will be utilised to finance any organic business expansion as well as inorganic business expansion via mergers and acquisitions of OCK Group.

Under OCK Group's organic business expansion, the Group intends to build new greenfield telecommunications infrastructure including towers, sites and telecommunication equipment to lease to telecommunication operators in the Association of Southeast Asian Nations ("ASEAN") region.

Continuing its regional expansion and its long term strategy to build a recurring income base, OCK Group also plans to expand via acquisitions of existing brownfield telecommunications infrastructure and businesses, such as towers, sites and telecommunication equipment to lease to telecommunication operators in the ASEAN region. In line with the above, the allocation of up to RM115.00 million and RM130.00 million of the proceeds raised under the Minimum Scenario and Maximum Scenario, respectively shall be utilised to finance any suitable and viable potential business(es)/ investment(s), within 24 months from completion of the Proposed Rights Issue with Warrants. As potential acquisition(s) of business(es)/ investment(s) may cost a substantial amount, part of the proceeds from the Proposed Rights Issue with Warrants may allow OCK Group to capitalise on suitable and viable investment opportunities as and when it arises, which in turn may generate positive returns to OCK Group in the future, thereby increasing OCK's shareholders' value.

As at the date of this announcement, the management of OCK is still exploring its options and will continuously seek and identify suitable business(es)/ investment(s) and/ or strategic acquisition(s). Further, as at the date of this announcement, the management of OCK has not entered into any agreement with any parties for such business/ investment.

The Company shall make the necessary announcements (in accordance with the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")) as and when new business(es)/ investment(s) have been identified by the Board and are likely to materialise. If the nature of the transaction require shareholders' approval pursuant to the Listing Requirements, the Board will seek the necessary approval from the shareholders of OCK.

In the event OCK Group is unable to fully utilise the allocated proceeds or identify any suitable and viable business(es)/ investment(s) within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for business expansion shall be transferred for working capital purposes of OCK Group

*2

The proceeds earmarked for working capital will be utilised to finance the Group's day-to-day operations and is expected to be utilised in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Payment to trade creditors	12,000	10,000
Employee salaries	2,000	2,000
General expenses (such as utilities and office expenses)	690	894
Total	14,690	12,894

The actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation. The proceeds to be raised are expected to improve the Group's cash flow and fund its operating expenses

*3

The proceeds earmarked for estimated expenses in relation to the Proposals shall be utilised as set out below:-

	RM'000
Professional fees and underwriting commission (i.e. adviser, underwriter, reporting accountant and solicitors)	2,120
Regulatory fees	100
Other incidental expenses in relation to the Proposals	130
Total	2,350

Any variation to the amount of proceeds to be raised, which is dependent upon the actual number of Rights Shares to be issued and the issue price of the Rights Shares to be fixed, will be adjusted against the working capital.

Pending utilisation of the proceeds from the Proposed Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants as well as the final exercise price of the Warrants. For illustrative purposes only, the maximum gross proceeds that are expected to be raised upon the full exercise of Warrants is approximately RM212.06 million based on the indicative exercise price of RM0.73 per Warrant. The gross proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance the Group's day to day operations. The proceeds may be utilised to finance, amongst others, employee salaries, payment to trade creditors as well as general expenses such as utilities and office expenses.

2.2 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital involves the increase in the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 OCK Shares to RM200,000,000 comprising 2,000,000,000 OCK Shares by way of creation of an additional 1,000,000,000 new OCK Shares, to cater for any increases in the share capital of the Company pursuant to the Proposed Rights Issue with Warrants, exercise of the Warrants and any other future corporate exercises.

2.3 Proposed Amendment

The Proposed Amendment involves the consequential amendment to the Memorandum of Association of OCK to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

The Memorandum of Association of OCK is proposed to be amended as follows:-

Existing	Proposed
Clause 6	Clause 6
The capital of the Company is Ringgit Malaysia One Hundred Million only (RM100,000,000.00) divided into One Billion (1,000,000,000) ordinary shares of Ten Sen (RM0.10) each, with full power to increase or reduce its capital and the shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is Ringgit Malaysia Two Hundred Million only (RM200,000,000.00) divided into Two Billion (2,000,000,000) ordinary shares of Ten Sen (RM0.10) each, with full power to increase or reduce its capital and the shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

3.1 Proposed Rights Issue of Warrants

After due consideration, the Board is of the view that the Proposed Rights Issue with Warrants is the most appropriate avenue for raising funds for the purposes stated in Section 2.1.8 of this announcement while potentially enhancing the capital base, as the Proposed Rights Issue with Warrants shall:-

- Enable the Company to raise funds without incurring interests expense as compared to bank borrowings;
- Improve financial flexibility, as well as to optimise the Group's capital structure by strengthening its financial position via increasing its NA and reducing its current gearing level as detailed in Section 4.2 of this announcement. In addition, upon completion of the Proposed Rights Issue with Warrants, OCK Group expects to raise proceeds of up to RM132.04 million and RM145.24 million under the Minimum Scenario and Maximum Scenario, respectively based on the indicative issue price of RM0.50 per Rights Share; and
- Provide the shareholders of OCK with an opportunity to further increase their equity participation in the Company via the issuance of new OCK Shares without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Proposed Rights Issue with Warrants.

The Warrants to be issued pursuant to the Proposed Rights Issue with Warrants are expected to provide an incentive to the Entitled Shareholders to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. In addition, the Company would also be able to raise further proceeds as and when the Warrants are exercised.

3.2 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is undertaken to cater for any increases in the share capital of the Company pursuant to the Proposed Rights Issue with Warrants, exercise of the Warrants and any other future corporate exercises.

3.3 Proposed Amendment

The Proposed Amendment is undertaken to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

4. EFFECTS OF THE PROPOSALS

The Proposed Increase in Authorised Share Capital and the Proposed Amendment will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company as well as the net assets ("NA"), gearing, earnings and earnings per share ("EPS") of the Group.

4.1 Issued and paid-up share capital

The proforma effects of the Proposed Rights Issue with Warrants are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	528,160,908	52,816,091	528,160,908	52,816,091
Shares to be issued assuming all the ESOS Options are granted and exercised	-	-	52,816,090	5,281,609
	528,160,908	52,816,091	580,976,998	58,097,700
Shares to be issued pursuant to the Proposed Rights Issue with Warrants	264,080,454	26,408,045	290,488,499	29,048,850
	792,241,362	79,224,136	871,465,497	87,146,550
Shares to be issued arising from the full exercise of the Warrants	264,080,454	26,408,045	290,488,499	29,048,850
Enlarged issued and paid-up share capital	1,056,321,816	105,632,181	1,161,953,996	116,195,400

4.2 NA per Share and gearing

Based on the latest audited consolidated statement of financial position of OCK Group as at 31 December 2014, the proforma effects of the Proposed Rights Issue with Warrants on the NA per Share and gearing of the Group are set out below:-

Minimum Scenario

	Audited as at 31 December 2014 RM'000	I After the Proposed Rights Issue with Warrants RM'000	II After I and assuming full exercise of the Warrants RM'000
Share capital	52,816	79,224	105,632
Share premium	84,187	139,935 ^{*1}	353,840 ^{*3}
Foreign currency translation reserve	(283)	(283)	(283)
Revaluation reserve	5,245	5,245	5,245
Reserve arising from reserve acquisition	(17,007)	(17,007)	(17,007)
Warrants reserve	-	47,534 ^{*2}	-
Retained earnings	53,841	53,841	53,841
Shareholders' fund/ NA	178,799	308,489	501,268
No. of shares in issue ('000)	528,161	792,241	1,056,321
NA per share (RM)	0.34	0.39	0.47
Total borrowings (RM'000)	64,489	64,489	64,489
Gearing ratio (times)	0.36	0.21	0.13

Notes:-

^{*1} After accounting for the increasing in share premium of RM105.63 million based on the indicative issue price of RM0.50 per Rights Share and deducting the estimated expenses of RM2.35 million in relation to the Proposals as well as the recognition of 264,080,454 Warrants to be issued at the theoretical fair value of RM0.18 per Warrant

^{*2} After the recognition of 264,080,454 Warrants to be issued at the theoretical fair value of RM0.18 per Warrant

^{*3} After adjusting for the full exercise of the Warrants at the indicative exercise price of RM0.73 per Warrant and the reversal of warrants reserve upon exercise of the Warrants

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Maximum Scenario

	Audited as at 31 December 2014 RM'000	I Assuming all the ESOS Options are granted and exercised RM'000	II After I and the Proposed Rights Issue with Warrants RM'000	III After II and assuming full exercise of the Warrants RM'000
Share capital	52,816	58,098	87,147	116,196
Share premium	84,187	133,834 ^{*1}	195,391 ^{*3}	430,687 ^{*5}
Foreign currency translation reserve	(283)	(283)	(283)	(283)
Revaluation reserve	5,245	5,245	5,245	5,245
Reserve arising from reserve acquisition	(17,007)	(17,007)	(17,007)	(17,007)
ESOS reserve	-	-	-	-
Warrants reserve	-	-	52,288 ^{*4}	-
Retained earnings	53,841	43,278 ^{*2}	43,278	43,278
Shareholders' fund/ NA	178,799	223,165	366,059	578,116
No. of shares in issue ('000)	528,161	580,977	871,465	1,161,953
NA per share (RM)	0.34	0.38	0.42	0.50
Total borrowings (RM'000)	64,489	64,489	64,489	64,489
Gearing ratio (times)	0.36	0.29	0.18	0.11

Notes:-

^{*1} Assuming all the 52,816,090 ESOS Options are granted and exercised at an indicative exercise price of RM0.84 (being the five (5)-day WAMP of OCK Shares up to and including the LPD) and reversal of ESOS reserve of approximately RM10.56 million upon exercise of 52,816,090 ESOS Options

^{*2} After the recognition of 52,816,090 ESOS Options which are assumed to be granted at the theoretical fair value of RM0.20 per ESOS Option

^{*3} After accounting for the increase in share premium of approximately RM116.20 million based on the indicative issue price of RM0.50 per Rights Share and deducting estimated expenses of RM2.35 million in relation to the Proposals as well as recognition of 290,488,499 Warrants to be issued at the theoretical fair value of RM0.18 per Warrant

^{*4} After the recognition of 290,488,499 Warrants to be issued at the theoretical fair value of RM0.18 per Warrant

^{*5} After adjusting for the full exercise of the Warrants at the indicative exercise price of RM0.73 per Warrant and the reversal of the warrant reserve upon exercise of the Warrants

4.3 Earnings and EPS

The Proposed Rights Issue with Warrants is not expected to have any material effect on the earnings of the Group for the FYE 31 December 2015. However, the EPS of the Group may be diluted as a result of the increase in the number of OCK Shares in issue upon the completion of the Proposed Rights Issue with Warrants, which is expected to be completed by the fourth quarter of 2015, and as and when the Warrants are exercised into new OCK Shares during the tenure of the Warrants.

Notwithstanding the above, the proceeds from the Proposed Rights Issue with Warrants is expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

4.4 Substantial shareholding structure

Assuming all the substantial shareholders fully subscribe for their entitlements under the Proposed Rights Issue with Warrants, the proforma effects of the Proposed Rights Issue with Warrants on the shareholdings of the substantial shareholders of the Company are set out below:-

Minimum Scenario

Substantial shareholders	Shareholding as at the LPD				I After the Proposed Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Aliran Armada Sdn Bhd	210,322,500	39.82	-	-	315,483,750	39.82	-	-	420,645,000	39.82	-	-
Ooi Chin Khoon	5,250,000	0.99	212,571,550 ^{*1}	40.24	7,875,000	0.99	318,857,325 ^{*1}	40.24	10,500,000	0.99	425,143,100 ^{*1}	40.24
Abdul Halim Bin Abdul Hamid	-	-	210,322,500 ^{*2}	39.82	-	-	315,483,750 ^{*2}	39.82	-	-	420,645,000 ^{*2}	39.82
Lembaga Tabung Angkatan Tentera ("LTAT")	72,048,750	13.64	-	-	108,073,125	13.64	-	-	144,097,500	13.64	-	-

Notes:-

^{*1} Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd and of his brothers, Ooi Cheng Wah's and Ooi Chin Lee's direct interest in OCK

^{*2} Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd

Maximum Scenario

Substantial shareholders	Shareholding as at the LPD				I Assuming all the ESOS Options are granted and exercised ³				II After I and the Proposed Rights Issue with Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Aliran Armada Sdn Bhd	210,322,500	39.82	-	-	210,322,500	36.20	-	-	315,483,750	36.20	-	-
Ooi Chin Khoon	5,250,000	0.99	212,571,550 ¹	40.24	5,250,000	0.90	212,571,550 ¹	36.58	7,875,000	0.90	318,857,325 ¹	36.58
Abdul Halim Bin Abdul Hamid	-	-	210,322,500 ²	39.82	-	-	210,322,500 ²	36.20	-	-	315,483,750 ²	36.20
LTAT	72,048,750	13.64	-	-	72,048,750	12.40	-	-	108,073,125	12.40	-	-

Substantial shareholders	III After II and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Aliran Armada Sdn Bhd	420,645,000	36.20	-	-
Ooi Chin Khoon	10,500,000	0.90	425,143,100 ¹	36.58
Abdul Halim Bin Abdul Hamid	-	-	420,645,000 ²	36.20
LTAT	144,097,500	12.40	-	-

Notes:-

^{*1} Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd and of his brothers, Ooi Cheng Wah's and Ooi Chin Lee's direct interest in OCK

^{*2} Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd

^{*3} Assuming none of the substantial shareholders, who are also the eligible persons as defined in the ESOS By-laws, are granted any ESOS Options as the allocation has not been determined at this juncture

4.5 Convertible securities

As at the LPD, the Company does not have any existing convertible securities. However, in the event any ESOS Options are granted prior to the Entitlement Date of the Proposed Rights Issue with Warrants, the Proposed Rights Issue with Warrants may give rise to adjustments to the exercise price and/ or number of outstanding ESOS Options held by each holder of the ESOS Options pursuant to the ESOS By-laws. For the avoidance of doubt, any subsequent exercise of Warrants is not expected to give rise to any adjustments to the exercise price and/ or number of outstanding ESOS Options held.

Any necessary adjustments to the exercise price and additional number of ESOS Options to be issued arising from the Proposed Rights Issue with Warrants in relation to the outstanding ESOS Options will only be finalised on the Entitlement Date.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

- i. Bursa Securities, for the following:-
 - a) Admission of the Warrants to the official list of Bursa Securities; and
 - b) Listing of and quotation for the Rights Shares and the Warrants as well as the new OCK Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities;
- ii. The shareholders of OCK, for the Proposals at an extraordinary general meeting of the Company to be convened; and
- iii. Any other relevant authority, if required.

The conditionalities of the Proposals are set out below:-

- i. The Proposed Rights Issue with Warrants is conditional upon the Proposed Increase in Authorised Share Capital and the Proposed Amendment, and vice versa;
- ii. The Proposed Increase in Authorised Share Capital and the Proposed Amendment are conditional upon each other; and
- iii. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors and/ or major shareholders of OCK and/ or persons connected to them have any interest, whether direct or indirect, in the Proposals beyond their respective entitlements under the Proposed Rights Issue with Warrants, if any, as shareholders of OCK, the rights of which are also available to all other existing shareholders of OCK as at the Entitlement Date, including the right to apply for excess Rights Shares under the excess shares application.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposals, including the rationale and justification, effects as well as the utilisation of proceeds of the Proposed Rights Issue with Warrants, is of the opinion that the Proposals are in the best interest of the Company.

8. APPLICATION TO THE AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposals is expected to be made within a period of two (2) months from the date of this announcement.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the fourth quarter of 2015.

10. ADVISER

RHBIB has been appointed as the Adviser for the Proposals.

This announcement is dated 14 July 2015.