

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

The Circular has been reviewed and approved by HwangDBS Investment Bank Berhad as the Principal Adviser of OCK Group Berhad for the Proposed Acquisition (as defined herein).

Bursa Malaysia Securities Berhad has not perused this Circular before its issuance and takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**OCK GROUP BERHAD**

*(Company No.: 955915-M)  
(Incorporated in Malaysia under the Companies Act 1965)*

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED ACQUISITION BY OCK SETIA ENGINEERING SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF OCK GROUP BERHAD, OF A FREEHOLD LAND TOGETHER WITH A THREE (3)-STOREY FACTORY BUILDING BEARING THE ADDRESS NO. 18, JALAN JURUNILAI U1/20, HICOM GLENMARIE INDUSTRIAL PARK, SECTION U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN FROM GAINVEST CORPORATION (M) SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM14.3 MILLION**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**PRINCIPAL ADVISER**



**INVESTMENT BANK**

**HWANGDBS INVESTMENT BANK BERHAD (14389-U)**  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

An Extraordinary General Meeting ("EGM") will be held at Langkawi 1, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000, Kuala Lumpur on Friday, 7 December 2012 at 10.00 a.m. or at any adjournment thereof. The notice of EGM, together with the Form of Proxy, are enclosed in this Circular.

The Form of Proxy should be completed and must be lodged at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time and date fixed for the EGM or any adjournment thereof, if you are unable to attend the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the EGM	:	Monday, 3 December 2012
Last date and time for lodging the Form of Proxy	:	Wednesday, 5 December 2012 at 10.00 a.m.
Date and Time of EGM	:	Friday, 7 December 2012 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 21 November 2012

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## DEFINITIONS

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Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Circular:

ACE Market	: ACE Market of Bursa Securities
Act	: Companies Act 1965 as amended from time to time and any re-enactment thereof
Balance Deposit	: A sum of RM858,000 paid by the Purchaser to the Seller pursuant to the Proposed Acquisition
Balance Purchase Consideration	: The sum of RM12,870,000 being the balance of the Purchase Consideration (i.e. Purchase Consideration less the Deposit) to be paid to the Seller on or before the Completion Date or the Extended Completion Date, as the case may be
Completion Date	: Three (3) months from 24 September 2012 i.e. 23 December 2012
Board	: Board of Directors of OCK
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No.: 635998-W)
CDS	: Central Depository System
Circular	: Circular to shareholders of OCK dated 21 November 2012 in relation to the Proposed Acquisition
City-Link or Tenant	: City-Link Logistics Sdn Bhd (Company No 93373-A)
Deposit	: The Earnest Deposit, Retention Sum and the Balance Deposit, collectively
Earnest Deposit	: A deposit of RM286,000 paid to the Seller pursuant to the Proposed Acquisition
EGM	: Extraordinary general meeting
EPS	: Earnings per share
Extended Completion Date	: 31 March 2013
Financing Facility	: Financing facility to be obtained by OCK from a local financial institution to fund up to RM 11,440,000 (or 80%) of the Purchase Consideration
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
Gainvest or Seller	: Gainvest Corporation (M) Sdn Bhd (Company No.:156005-P)
GDP	: Gross domestic product
HwangDBS or Principal Adviser	: HwangDBS Investment Bank Berhad (Company No.: 14389-U)
Landserve or Valuer	: Landserve Sdn Bhd (Company No.:815794-D)
Listing	: The admission to the Official List of Bursa Securities and the listing of and quotation for OCK's entire enlarged issued and paid-up share capital of RM25,900,000 comprising 259,000,000 OCK Shares on the ACE Market

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## DEFINITIONS

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Listing Exercise	: Comprising:- i) The acquisition by OCK of the entire equity interest in OCK Setia; ii) The Public Issue; and iii) The Listing.  The Listing Exercise was completed on 17 July 2012.
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time
LPD	: 31 October 2012, being the latest practicable date prior to the printing of this Circular
MIER	: Malaysian Institute of Economic Research
NA	: Net assets
OCK or Company	: OCK Group Berhad (Company No.: 955915-M)
OCK Group or Group	: OCK and its subsidiaries, collectively
OCK Share(s)	: Ordinary shares of RM0.10 each in OCK
OCK Setia or Purchaser	: OCK Setia Engineering Sdn Bhd, a wholly-owned subsidiary of OCK (Company No. 528998-K)
Property	: A freehold land together with a three (3)-storey factory building bearing the address No. 18, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, Section U1, 40150 Shah Alam, Selangor Darul Ehsan
Proposed Acquisition	: Proposed acquisition by OCK Setia of the Property from the Seller at the Purchase Consideration
Public Issue	: The public issue of 75,000,000 new OCK Shares at the issue price of RM0.36 per share pursuant to the Listing Exercise
Purchase Consideration	: Purchase consideration of RM14.3 million for the acquisition of the Property
Retention Sum	: A sum of RM286,000 paid by the Purchaser to the Purchaser's solicitors as stakeholder for the purposes of compliance with the Real Property Gains Tax Act 1976 pursuant to the Proposed Acquisition
RM and sen	: Ringgit Malaysia and sen respectively
sf	: Square feet
sm	: Square metres
SPA	: Sale and purchase agreement dated 24 September 2012 between OCK Setia and the Seller in respect of the Proposed Acquisition and the supplemental sale and purchase agreement dated 9 November 2012 between OCK Setia and the Seller to amend and supplement certain terms of the earlier sale and purchase agreement.
Valuation Report	: The valuation report prepared by the Valuer dated 10 October 2012 on the Property

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## **DEFINITIONS**

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In this Circular, unless there is something in the subject or context inconsistent herewith, the singular includes the plural and references to gender include both feminine and the neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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## **OCK GROUP BERHAD**

*(Company No.: 955915-M)  
(Incorporated in Malaysia under the Companies Act 1965)*

### **Registered Office:**

Level 2, Tower 1,  
Avenue 5, Bangsar South City  
59200 Kuala Lumpur

21 November 2012

### **The Board of Directors:**

Abdul Halim Bin Abdul Hamid (*Deputy Chairman*)  
Ooi Chin Khoon (*Managing Director*)  
Low Hock Keong (*Executive Director*)  
Chang Tan Chin (*Executive Director*)  
Chong Wai Yew (*Executive Director*)  
Lee Yow Fui (*Independent Non-Executive Director*)  
Fu Lit Fung (*Independent Non-Executive Director*)

**To: The Shareholders of OCK Group Berhad**

Dear Sir/Madam,

### **PROPOSED ACQUISITION BY OCK SETIA, A WHOLLY-OWNED SUBSIDIARY OF OCK, OF THE PROPERTY FROM THE SELLER FOR THE PURCHASE CONSIDERATION**

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#### **1. INTRODUCTION**

On 25 September 2012 and 1 October 2012 the Company announced that OCK Setia had entered into the SPA with Gainvest to purchase the Property for a total cash consideration of RM14.3 million.

On 1 October 2012, HwangDBS, on behalf of the Board, announced that inter-alia, HwangDBS has been appointed as the Principal Adviser to the Company for the Proposed Acquisition.

On 10 October 2012, HwangDBS, on behalf of the Board, announced that inter-alia the Valuation Report has been submitted to Bursa Securities pursuant to Rule 10.04(3) of the Listing Requirements.

Subsequently on 9 November 2012, HwangDBS, on behalf of the Board announced that OCK Setia had on 9 November 2012 entered into a supplemental agreement with the Seller to vary/modify/ amend the terms of the sale and purchase agreement dated 24 September 2012.

Upon completion of the Proposed Acquisition, the value of the net assets represented by the Property is more than 25% over the net assets of the OCK Group. However, as the OCK Group intends to fully occupy the Property for its own use, it is not the intention of the Company to diversify into property investment. The current principal activities of the Company as provider of telecommunication network services which includes providing turnkey solutions, trading of telecommunication network equipment, materials, enterprise network security solutions and provision of green energy and power solutions shall remain unchanged after the Proposed Acquisition. Further information on the rationale of the Proposed Acquisition is disclosed in Section 6 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**WE ADVISE YOU TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED ACQUISITION AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED ACQUISITION**

### **2.1 Details of the Property**

The Property to be acquired is a freehold land held under Geran No. 215172, Lot No. 61777 (formerly known as HS (D) No. 225932, PT No. 84), Bandar Glenmarie, District of Petaling, State of Selangor together with a three (3)-storey factory building erected thereon.

Further details of the Property are summarised as follows:-

Address	:	No. 18, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, Section U1, 40150 Shah Alam, Selangor Darul Ehsan
Title Particulars	:	GRN 215172, Lot 61777, Bandar Glenmarie, Daerah Petaling
Registered Proprietor	:	Gainvest
Land area	:	Approximately 4,275 sm (46,016 sf)
Gross floor area	:	Approximately 4,353 sm (46,857 sf)
Category of land use	:	Industrial
Tenure	:	Freehold land
Approximate age of the factory building	:	Approximately 14 years
Net lettable area	:	Approximately 4,295 sm (46,235 sf)
Restriction of Interest	:	None
Encumbrance	:	The Property is currently charged to Public Bank Berhad pursuant to one (1) legal charge under the National Land Code, 1965.
Existing Use	:	Apart from the aforesaid encumbrance, there are no other encumbrances on the Property. Currently fully rented out to City-Link, a forwarding agent
Gross rental income	:	RM55,000 per month
Tenancy expiry	:	28 February 2013
Proposed Use	:	Office cum Warehouse (fully self occupied)
Net Book Value of the Property as at 31 December 2011	:	RM8,000,000 <sup>(1)</sup>
Market Value	:	RM14,300,000 <sup>(2)</sup>

**Notes:**

(1) Audited figure as provided by Gainvest.

(2) As appraised by the Valuer in the Valuation Report.

Save for the costs in relation to the renovation and refurbishment works on the Property, which is estimated at RM2.0 million, there are no other additional financial commitments required by OCK to put the Property on-stream. The renovation and refurbishment works on the Property are expected to commence within one (1) month after the completion of the Proposed Acquisition and will take approximately four (4) months thereafter to complete.

## **2.2 Basis at arriving at the Purchase Consideration**

The Purchase Consideration was arrived at on a willing buyer-willing seller basis, after taking into consideration the valuation of the Property at RM14.3 million as appraised by Landserve in the Valuation Report. The valuation was arrived at using the comparison method and depreciated replacement cost method. The valuation certificate for the Property is attached as Appendix I to this Circular.

## **2.3 Liabilities to be assumed**

There are no other liabilities, including contingent liabilities and guarantees to be assumed by OCK pursuant to the Proposed Acquisition.

## **2.4 Source of funding**

The Proposed Acquisition is expected to be entirely funded by internally generated funds and/or bank borrowings of OCK Setia. The Purchase Consideration is to be fully-satisfied in cash and shall be funded in the following manner:

- (a) The Deposit was funded by OCK Setia's internally-generated funds;
- (b) In respect of the Balance Purchase Consideration, OCK intends to finance RM1.43 million from internally generated funds and the remaining balance of RM11.44 million through the Financing Facility representing 80% of the Purchase Consideration; and
- (c) The cost of renovation and refurbishment works which is estimated at RM2.0 million will be funded from internally generated funds of OCK Setia and/or bank borrowings; the proportion of which has yet to be finalised.

## **3. SALIENT TERMS AND CONDITIONS OF THE SPA**

### **3.1 Sales and Purchase of the Property**

The Proposed Acquisition involves the acquisition of the Property by OCK Setia at the Purchase Consideration. Pursuant to the SPA, Gainvest has agreed to sell and OCK Setia has agreed to purchase the Property together with all the fixtures and fittings attached thereto, subject to the existing tenancy and free from encumbrances but otherwise subject to the conditions, express or implied, attached to the Property upon the terms and conditions of the SPA.

### **3.2 Purchase Consideration**

The Purchase Consideration shall be paid by the Purchaser in the following manner:-

- (a) the Earnest Deposit to be paid to the Seller on or prior to the date of the SPA;
- (b) the Retention Sum to be paid upon the execution of the SPA to the Purchaser's solicitors as stakeholder for the purpose of compliance with the Real Property Gains Tax Act 1976 which Retention Sum shall be released to the Seller in the event that the Seller has acquired the Property for a period of more than five (5) years and the necessary documentation for exemption has been submitted to the Income Tax office;
- (c) the Balance Deposit to be paid upon the execution of the SPA to the Seller; and



- (d) the balance of the Purchase Consideration to be paid to the Purchaser's solicitors (being the authorised stakeholder under the SPA) by the Completion Date failing which the Seller shall grant to the Purchaser an extension of time until the Extended Completion Date in which event the Purchaser shall pay to the Seller an agreed interest on the unpaid balance at the rate of 8% per annum to be calculated on a daily basis from the expiry of the Completion Date to the date of actual payment.

### **3.3 Condition Precedent**

The Proposed Acquisition is conditional upon the approval of the shareholders of the Company being obtained in an extraordinary general meeting to be held. If the approval is not obtained, then the Deposit shall be forfeited to the Seller.

### **3.4 Completion**

The Purchaser shall complete the Proposed Acquisition and pay the Balance Purchase Consideration by the Extended Completion Date.

If the Purchaser fails to settle the Balance Purchase Consideration by the Extended Completion Date, the Deposit shall be forfeited to the Seller as agreed liquidated damages and the Seller shall within fourteen (14) days upon such failure, refund to the Purchaser free of interest any other sum (excluding the Deposit) paid by or on behalf of the Purchaser towards the account of the Purchase Consideration.

If the Seller fails to comply with any of the Seller's obligations under the SPA to complete the Proposed Acquisition, the Purchaser shall be entitled at the Purchaser's option, to specific performance or by notice in writing (the "Election Notice") served on the Seller to terminate the SPA, whereupon the Seller shall, on or before the expiry of fourteen (14) days from the date of the Election Notice, pay to the Purchaser a sum equivalent to 10% of the Purchase Consideration as liquidated damages and cause all other monies paid by or on behalf of the Purchaser towards account of the Purchase Consideration pursuant to the SPA (including the Deposit) to be refunded to the Purchaser free of interest.

The Seller undertakes and agrees that should the Balance Purchase Consideration be insufficient to redeem the Property from the Seller's financier, the Seller shall pay the shortfall to the Purchaser's solicitors as stakeholder within seven (7) days from the date of notification by the Seller's financier so as to secure a full discharge of the Property.

### **3.5 Other terms – tenancy**

The Property is currently rented to City-Link and the tenancy shall expire on 28 February 2013. The Purchaser agrees that the Property shall be sold subject to the tenancy and all deposits paid by the Tenant shall be transferred to the Purchaser on the date the Balance Purchase Consideration (together with any late payment interest) (the "Delivery Date") is deposited with the Purchaser's solicitors as stakeholder and the rental shall be apportioned as at the Delivery Date. If for any reason whatsoever that the tenancy is terminated, then vacant possession of the Property shall be delivered to the Purchaser within three (3) working days from the Delivery Date.

## **4. INFORMATION ON GAINVEST**

Gainvest was incorporated in Malaysia under the Act on 15 September 1986 as a private limited company. Gainvest is principally involved in trading in building and construction materials.

As at the LPD, Gainvest has an authorised share capital of RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each, of which 2,000,000 ordinary shares of RM1.00 each has been fully issued and paid-up.

As at the LPD, the Directors and substantial shareholders of Gainvest are as follows:

Directors and substantial shareholders	As at LPD	
	No. of ordinary shares of RM1.00 each in Gainvest	%
New Ching Liong	1,000,000	50.00
New Chee Pheng	1,000,000	50.00

## 5. INFORMATION ON OCK SETIA

OCK Setia was incorporated in Malaysia under the Act on 14 October 2000 as a private limited company. The principal activity of OCK Setia is the provision of turnkey telecommunication network services.

As at the LPD, OCK Setia has an authorised share capital of RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 2,000,002 ordinary shares of RM1.00 each has been fully issued and paid-up.

As at the LPD, the Directors of OCK Setia are Ooi Chin Khoon, Abdul Halim Bin Abdul Hamid, Low Hock Keong, Chang Tan Chin and Chong Wai Yew. OCK Setia is a wholly-owned subsidiary of OCK.

## 6. RATIONALE FOR THE PROPOSED ACQUISITION

The acquisition of the Property is a long term investment for the OCK Group.

The Company intends to fully occupy the Property for its own use. The Proposed Acquisition is expected to accrue the following benefits to OCK:

- (i) Provide savings on OCK's current office and warehouse rental expenses;
- (ii) Provide hedge against future increase in office and warehouse rental expenses to be incurred by OCK;
- (iii) Provide potential capital gain for OCK arising from the possible appreciation in value of the Property as the Property is located in a strategic area;
- (iv) Secure sufficient office and warehouse space to consolidate its operations under one roof; and
- (v) Enhance managerial control as well as to provide a more effective and better control over the usage of its resources.

## 7. INDUSTRY REVIEW AND PROSPECTS

### 7.1 Overview and outlook of the Malaysian economy

The global economic environment remained challenging in the second quarter of 2012 amidst heightened vulnerabilities in several key economies. Growth in the major advanced economies was weighed down by policy and domestic structural concerns. In Asia, economic activity was affected by weaker external demand. In spite of this challenging environment, the Malaysian economy recorded a higher growth of 5.4% (first quarter of 2012: 4.9%), driven by stronger domestic demand, which rose by 13.8% (first quarter of 2012: 9.7%). This was supported by robust growth in the expenditure of both the private and public sectors, while net exports moderated further due to weaker exports and higher imports. On the supply side, most major economic sectors continued to expand, led by the services, manufacturing and construction sectors.

*(Source: Quarterly Bulletin, Second Quarter 2012, BNM)*

Malaysia made further progress towards a high income and developed nation in 2012 despite heightened uncertainties in the external sector. Prospects for global growth remain challenging, weighed down by the ongoing sovereign debt crisis in the euro area as well as the slower-than expected recovery in the United States (US). The spillover from these episodes has affected growth in the advanced and emerging economies to varying degrees, through trade and financial channels. Against this backdrop, the Government introduced the National Transformation Policy (NTP) in the 2012 Budget which consolidates several innovative transformation programmes to strengthen domestic demand and steer the nation in achieving its mission of inclusive and sustainable growth. The timely implementation of programmes under the NTP, including the Tenth Malaysia Plan (10MP) projects, partly cushioned the domestic economy from the effects of a weaker external sector and enabled the nation to record a credible growth of 5.1% in the first half of 2012. With the implementation of programmes under the NTP intensifying and the related multiplier effects gaining traction, the economy is expected to expand further in the second half of 2012 and beyond.

The 1 Malaysia, People First, Performance Now principle which permeates all programmes under the NTP is aimed at uniting all Malaysians to face the challenges ahead as a nation. The Government Transformation Programme (GTP), an initiative under the NTP, was launched to strengthen public service delivery to facilitate the outcomes under the seven National Key Result Areas (NKRAs) and 12 National Key Economic Areas (NKEAs). The Economic Transformation Programme (ETP) another effort under the NTP, sets the targets for the development of the NKEAs towards a high-income and developed economy. Likewise, the Political Transformation Programme (PTP) is aimed at creating a functional democracy by balancing the nation's security needs and individual freedom, taking into account the complex national plurality and threats of global terrorism. To leverage digital technology, an important enabler for the country's transformation, the Digital Transformation Programme or Digital Malaysia was launched in 2011 with strong emphasis on productivity, innovation and creativity. A new initiative under the 2012 Budget is the Rural Transformation Programme (RTP) which complements the national transformation agenda for rural areas.

In addition to the transformation initiatives and active involvement of the private sector in these programmes, Malaysia's strong economic fundamentals provide sufficient buffers against further shocks from the external sector. Despite uncertainties in global growth, the Malaysian economy is expected to expand between 4.5% and 5% in 2012, mainly supported by domestic demand. On the demand side, strong private consumption and investment activities will support growth, while economic expansion on the supply side will be driven by improvements in technology and labour productivity as well as the efficient use of capital. With the external sector gradually improving in 2013, the forecast for the nation's Gross Domestic Product (GDP) growth is between 4.5% and 5.5% mainly driven by domestic demand.

*(Source: Economic Report 2012/2013, Ministry of Finance)*

## **7.2 Overview and outlook of the Malaysian property market**

The global atmosphere was expected to be more challenging due to the sovereign debt crisis in Europe that caused weaker external demand. The Malaysian economy expended moderately by 5.1% in 2011 compared with 7.2% in 2010. The growth was mainly due to domestic demand, driven by private consumption and public sector spending. The New Economic Model and the Economic Transformation Programme (ETP) served as catalysts of economic growth.

Despite the challenging global economy, the Malaysian property market performed well with 430,403 transactions worth RM137.83 billion in 2011 against 376,583 transactions worth RM107.44 billion in 2010, which translate to a growth of 14.3% in volume and 28.3% in value. All property sub-sectors recorded positive growths in terms of transaction volume. Residential and development land sub-sectors recorded double digit growths of 18.9% and 14.7% respectively and followed by commercial sub-sector 9.7%, industrial sub-sector 6.5% and agricultural sub-sector 4.6%.

The industrial sub-sector softened with moderate growth of 6.5% after achieving 22.1% expansion in 2010. Net Foreign Direct Investment (FDI) inflows in 2011 increased to RM32.90 billion from RM29.30 billion in 2010, indicating continued improvements of FDI inflows despite a more challenging global economic conditions.

*(Source: Valuation Report prepared by Landserve)*

### 7.3 Prospect of the Property

The Property is located in Glenmarie, Selangor Darul Ehsan. The location is well served by comprehensive networks of highway such as the New Klang Valley Expressway, Federal Highway, New Pantai Expressway and Lebuhraya Damansara Puchong. Its strategic location provides easy access to any major town areas. Besides, there are a few rail terminals located within a five (5) km radius which includes KTM Batu Tiga and KTM Subang. This would not only ensure minimal operational disruption, but also promise better efficiencies and provide the opportunity for OCK to benefit from any capital appreciation that may arise therefrom in the future.

*(Source: Management of OCK)*

## 8. EFFECT OF THE PROPOSED ACQUISITION

### 8.1 Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition will not have any effect on the issued and paid-up share capital as well as the substantial shareholders' shareholding in OCK as the Purchase Consideration will be fully satisfied in cash.

### 8.2 Earnings and EPS

The Proposed Acquisition is not expected to have any material effect on the earnings and earnings per share of the OCK Group for the financial year ending 31 December 2012.

In view that part of the Purchase Consideration is to be funded through Financing Facility, OCK Group anticipates additional finance costs to be incurred in the future. However, the savings from rental of premises is expected to mitigate the effect from the additional finance costs.

The proforma results set out below is provided for illustrative purposes only to show the effects on EPS of OCK Group based on the audited consolidated statements of comprehensive income for FYE 31 December 2011, assuming the Proposed Acquisition had been completed on 1 January 2011:-

	Notes	*Proforma Effects based on adjusted Consolidated Earnings for FYE 31 December 2011 (RM'000)
Savings from rental expenses FYE 2011	(1)	686
<b>Less:</b>		
Estimated incidental expenses	(2)	(200)
Building outgoings	(3)	(50)
Depreciation on building	(4)	(104)
Depreciation on renovation and refurbishment works	(5)	(200)
Finance cost	(6)	(504)
Relocation costs	(7)	(100)
Estimated decrease in earnings		(472)
Less: taxation		118
Estimated net decrease in earnings		(354)
No. of OCK Shares for FYE 31 December 2011 after Public Issue ('000)		259,000
Effect on EPS (sen)		(0.14)
Audited EPS for the FYE 31 December 2011 after Public Issue (sen)		3.29
Proforma EPS after the Proposed Acquisition (sen)		3.15

#### Notes:

- (1) Annual savings from rental of premises is based on the current annual rental paid.

- (2) Estimated incidental expenses in relation to the Proposed Acquisition which includes valuer fees, advisor fees and necessary expenses required in conveying the EGM.
- (3) Anticipated building outgoings include quit rent, assessment and building insurance cost.
- (4) The land and the building are expected to be recorded at the following value: -

		RM'000
Land Cost	(a)	9,340
Estimated incidental expenses capitalised which include SPA documentation expenses, stamp duty expenses and other miscellaneous expenses pertaining to the acquisition of the Property	(a)	650
Building Cost	(b)	4,960
Total land and building cost		14,950

- (a) Freehold land has an unlimited useful life and is therefore not depreciated. Estimated incidental expenses capitalised will be added to the land cost and therefore is also not depreciated.
- (b) Building cost is depreciated on straight-line basis over the estimated remaining useful life of 50 years.
- (5) Renovation and refurbishment works capitalised is depreciated on a straight-line basis over the estimated remaining useful life of ten (10) years.
- (6) The loan interest is computed based on interest rate of 4.40% per annum using the effective interest rate method (based on the prevailing base lending rate of 6.60% less a spreads of 2.20% per annum) over the loan tenure of 15 years.
- (7) Estimated relocation costs are expensed off immediately.

\* Based on the audited statement of financial position as at 31 December 2011 and after:-

- (a) adjustments necessary for the elimination of all inter-company transactions and balances on the assumption that the Group's current structure has been in existence since 1 January 2011; and
- (b) after taking into account the Public Issue and deducting estimated expenses of RM2.0 million in relation to the Listing Exercise

as extracted from OCK's listing prospectus dated 29 June 2012. The Listing Exercise was completed on 17 July 2012.

### 8.3 NA and Gearing

The proforma effect of the Proposed Acquisition on the Group's consolidated NA, NA per share and gearing as at 31 December 2011, after adjusting for its Listing Exercise, are set out below:

	(I) <sup>(1)</sup> Consolidated Statement of Financial Position as at 31 December 2011 RM'000	After (I) and Proposed Acquisition RM'000
Share capital	25,900	25,900
Share premium	18,885	18,885
Revaluation reserve	3,419	3,419
Foreign currency translation reserves	(4)	(4)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Retained earnings	12,586	<sup>(2)</sup> 12,232
NA	43,779	43,425
Number of shares in issue ('000)	259,000	259,000
Interest bearing borrowings (RM'000)	27,481	<sup>(3)</sup> 38,921
NA per share (sen)	0.17	0.17
Gearing (times)	0.63	0.90

**Notes:**

- (1) Based on the audited statement of financial position as at 31 December 2011 and after:-
  - (a) adjustments necessary for the elimination of all inter-company transactions and balances on the assumption that the Group's current structure has been in existence since 1 January 2011; and
  - (b) after taking into account the Public Issue and deducting estimated expenses of RM2.0 million in relation to the Listing Exerciseas extracted from OCK's listing prospectus dated 29 June 2012. The Listing Exercise was completed on 17 July 2012.
- (2) The estimated expenses incidental to the Proposed Acquisition of RM354,000 as shown in Section 8.2 of this Circular.
- (3) Assuming full drawdown of the Financing Facility.

## **9. RISK FACTORS**

### **9.1 Non-Completion of the Proposed Acquisition**

The Proposed Acquisition is subject to the full payment of the total Purchase Consideration by the Purchaser to the Seller within the stipulated time frame as specified in the SPA and the fulfilment of the respective obligations of the contracting parties pursuant to the terms and conditions as stipulated in the SPA. In the event that the Company's shareholders vote against the Proposed Acquisition or the Purchaser is otherwise unable to pay the Balance Purchase Consideration and complete the Proposed Acquisition, the Purchaser will not be able to complete the Proposed Acquisition and the Deposit shall be forfeited to the Seller. In the event that the Seller breaches the terms of the SPA and refuses to complete the Proposed Acquisition, then the Purchaser may claim for an amount equivalent to the Deposit as agreed liquidated ascertained damages or sue for specific performance. If the Proposed Acquisition is not completed, then this will result in the failure of the Group to achieve the objectives and benefits of the Proposed Acquisition.

Notwithstanding the above, OCK shall endeavour to ensure that the Proposed Acquisition is completed in accordance with the terms and conditions of the SPA.

### **9.2 Financial Risks**

OCK intends to substantially fund the purchase of the Property through bank borrowings. As such any significant fluctuation in interest rates may increase the cost of borrowings. The Company will monitor closely the fluctuation in interest rate and will negotiate with the relevant financial institution for an attractive and cost effective financing package.

### **9.3 Compulsory Acquisition by the Government**

The Malaysian Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act, 1960. In such event, the amount of compensation to be awarded is based on the fair market value of the property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. If the Property is compulsorily acquired by the Malaysian Government at a price which is lower than the Purchase Consideration, the OCK Group would register a loss on disposal. In such instances, the OCK Group would not be able to realise the advantages of having the Property as detailed in Section 6.

As at the LPD, the Company is not aware and the Seller has warranted that as at the date of the SPA, the Seller is not aware of any intended compulsory acquisition of the Property or any part thereof.

## **10. HIGHEST PERCENTAGE RATIO**

Based on OCK's proforma audited financial statements for the financial year ended 31 December 2011 and pursuant to Rule 10.02 (g) of the Listing Requirements, the highest percentage ratio applicable to the Proposed Acquisition is 71.80%.

**11. APPROVALS REQUIRED FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is conditional upon the following being obtained:-

- (i) The consent of the Board, which was obtained on 28 August 2012;
- (ii) the approval from the shareholders of OCK in the EGM; and
- (iii) any other relevant approvals, if any.

The Proposed Acquisition is not conditional upon any other corporate exercise.

**12. OTHER CORPORATE EXERCISES OR SCHEMES**

As at the LPD, save for the Proposed Acquisition, there are no other corporate exercises or schemes that have been announced but yet to be completed by the Company.

**13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the receipt of all relevant approvals, the Proposed Acquisition is expected to be completed by the fourth quarter of FYE 31 December 2012.

The tentative timetable for the implementation for the Proposed Acquisition is set out below:

Date	Event
7 December 2012	EGM for the Proposed Acquisition
23 December 2012	Payment of Balance Purchase Consideration and completion of Proposed Acquisition

**14. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors, major shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Acquisition.

**15. STATEMENT BY THE DIRECTORS AND RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Acquisition including the rationale, fairness of the consideration, salient terms of the SPA and the financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution to give effect to the Proposed Acquisition which will be tabled at the forthcoming EGM.

**16. EGM**

The EGM, the notice of which is set out in this Circular, will be held at Langkawi 1, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000, Kuala Lumpur on Friday, 7 December 2012 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at the EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the office of the Company's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 48 hours before the time set for the EGM.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**17. FURTHER INFORMATION**

Shareholders are advised to refer to the accompanying appendices for further information.

Yours faithfully,  
for and on behalf of the Board  
**OOCK GROUP BERHAD**

**ABDUL HALIM BIN ABDUL HAMID**  
Deputy Chairman





Your Personal Advisors in Real Estate

Registered Valuers | Registered Agents | Property Managers | Property Consultants | Researchers

Penilai / Ejen Hartanah  
VE (1) 0203

Landserve Sdn Bhd (815794-D)

Our Reference No.: VC/0912/PJ/OCK/KC/SC582

25 September 2012

The Board of Directors

**OCK Group Berhad**

No. 11 &amp; 13, Jalan Puteri 2/6

Bandar Puteri, 47100 Puchong

Selangor Darul Ehsan

Dear Sirs,

**VALUATION CERTIFICATE FOR A PARCEL OF FREEHOLD INDUSTRIAL LAND ERECTED UPON WITH A DOUBLE STOREY DETACHED WAREHOUSE WITH A 3-STOREY ANNEXED OFFICE; AND ANCILLARY BUILDINGS HELD UNDER TITLE NO. GERAN 215172, LOT 61777, TOWN OF GLENMARIE, DISTRICT OF PETALING, SELANGOR DARUL EHSAN BEARING POSTAL ADDRESS NO. 18, JALAN JURUNILAI U1/20, HICOM GLENMARIE INDUSTRIAL PARK, SECTION U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN**

This valuation certificate has been prepared for Submission to Bursa Malaysia Securities Bhd in relation to the proposed acquisition of the subject property by OCK Setia Engineering Sdn Bhd, a wholly-owned subsidiary of OCK Group Berhad.

In accordance with your instruction to value the abovementioned property for the purpose of proposed acquisition, we have inspected the abovementioned property on 25 September 2012 and the material date of valuation shall be the date of inspection, i.e. 25 September 2012. We have also extracted particulars of the title at the Selangor Land Registry, Shah Alam on 24 September 2012 and gathered other relevant information to arrive at our opinion of value.

The Basis of Valuation adopted by us is the "Market Value" which is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This valuation has been prepared in compliance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and adopting the necessary professional standards and due diligence.

**IDENTIFICATION OF PROPERTY**

Legal Description:	Geran 215172, Lot 61777, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan.
Address:	No. 18, Jalan U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.
Type of Property:	A parcel of freehold industrial land erected upon with a double storey detached warehouse with a 3-storey annexed office; and ancillary buildings
Title Land Area:	4,275 square metres (46,016 square feet).
Tenure:	Interest in perpetuity.
Registered Proprietor:	Gainvest Corporation (M) Sdn Bhd
Express Condition:	Industry

**DESCRIPTION OF PROPERTY**

Location:	<p>The subject property fronts onto the northern side of Jalan Jurunilai U1/20, within an established industrial development known as Hicom Glenmarie Industrial Park.</p> <p>Hicom Glenmarie Industrial Park is sited along the southern side of the New Klang Valley Expressway (NKVE) and off the northern side of the Federal Highway, and lies about 4 miles (6.4 kilometres) to the north-east of the Shah Alam city centre. Kuala Lumpur city centre is situated about 15 ½ miles (24.8 kilometres) to the north-east.</p> <p>The subject property is accessible from the Kuala Lumpur city centre via the Federal Highway, thence exit onto Jalan Lapangan Terbang Subang, Persiaran Kerjaya, Jalan Pensyarah U1/28, Jalan Pemaju U1/15 and finally onto Jalan Jurunilai U1/20.</p> <p>Located immediately to the west of Hicom Glenmarie Industrial Park are Politeknik Sultan Salahuddin Abdul Aziz Shah, Monfort Boys town and the proposed 21.7-acre (8.782-hectare) mixed development by Paramount Corporation Bhd accommodating the new Kolej Damansara Utama (KDU) campus and commercial developments and condominiums.</p>
Site:	<p>The subject site is rectangular in shape with a titular land area of 46,016 square feet (4,275 square metres). It has a frontage of about 153 feet (46.7 metres) onto the northern side of Jalan Jurunilai U1/20 with an average depth of about 300 feet (91.4 metres). The rear boundary of the site abuts onto adjoining lots.</p> <p>The site is flat in terrain and elevated at about 5-foot above the aforesaid frontage metalled road. The site boundaries are demarcated by 2-foot (0.6-metre) high plastered brickwalls surmounted with metal railings and 6-foot (1.8-metre) high chain link fencing whilst the main entrance to the site is secured by sliding metal gates mounted onto plastered brick pillars. The driveway and internal circulation areas are generally cement rendered and tar-macadamised.</p> <p>The site accommodates a double storey warehouse, an annexed 3-storey office, a guard house and a TNB sub-station.</p>
Buildings:	<p>The <b>double storey warehouse</b> is constructed of reinforced concrete framework with brick infills rendered externally and plastered internally supporting a metal deck roofing sheets on steel trusses concealed behind parapet walls.</p> <p>The flooring is generally of cement screed throughout with exception to the toilets which are laid with ceramic tiles. The ceilings within the building are of cement plaster. Internal partitions within the warehouse area are generally of gypsum boards incorporating glass panels in aluminium frames whilst the toilets are lined with glazed tiles up to ceiling height.</p>

Doors within the warehouse area are generally of metal roller shutters, fire rated timber and flushed timber doors whilst windows are generally of aluminium framed tinted glass panels. Vertical access between floors within the building is by means of four cement rendered reinforced concrete staircases and a cargo lift with capacity of 2,000 kilograms.

The **annexed 3-storey office** is constructed of reinforced concrete framework with brick infills rendered externally and plastered internally supporting reinforced concrete flat roof concealed behind parapet walls.

The floor is generally carpeted throughout with exception to the 2nd floor office area and toilets which are of cement screed and ceramic tiles respectively. The ceilings within the buildings are of ceiling boards and suspended mineral fibre boards incorporating recessed fluorescent lightings.

Internal partitions within the office areas are generally of gypsum boards incorporating glass panels in aluminium frames whilst the toilets are lined with glazed tiles up to ceiling height.

Doors within the office area are generally of frameless tinted glass panels, fire rated timber doors, timber frames incorporating glass panels, metal roller shutters, panelled and flushed timber doors whilst windows are generally of aluminium framed tinted glass panels. Vertical access between floors within the building is by means of two reinforced concrete staircases laid with ceramic tiles.

The Approve Building Plans bearing plan nos. IR/121/A/100 to IR/121/A/105 and IR/121/A/108 and the As-Built Plans bearing plan nos. IR/121/A/102A to IR/121/A/105A and IR/121/A/108A prepared by Intelreka Sdn Bhd have been approved by Majlis Bandaraya Shah Alam (formerly known as Majlis Perbandaran Shah Alam).

A Certificate of Fitness for Occupation has been issued by the Majlis Perbandaran Shah Alam (MPSA) dated 13 August 1998 bearing Certificate No. CF 0087 and making reference to the Approved Building Plan vide a Reference No. MPSA/B/PC/SEK:U1/8-95.

Floor Area:

	<b>Main Floor Area (Sq. Feet)</b>	<b>Ancillary Floor Area (Sq. Feet)</b>
(i) Double storey warehouse		
- Ground Floor	15,124	0
- First Floor	15,124	0
<b>Sub-total</b>	<b>30,247</b>	<b>0</b>
(ii) 3-storey office annexe		
- Ground Floor	4,522	807
- First Floor	5,329	0
- Second Floor	5,329	0
<b>Sub-total</b>	<b>15,180</b>	<b>807</b>
(iii) Guard House	62	0
(iv) TNB Sub-station	560	0
<b>Total</b>	<b>45,489</b>	<b>807</b>

### **OCCUPANCY STATUS**

The subject property has been tenanted to City-link Logistics Sdn Bhd since 1 March 2010 vide a Tenancy Agreement dated 14 January 2010. The tenancy to City-link Logistics Sdn Bhd has been extended vide a renewal letter dated 21 December 2011 for a another one (1) year from 1 March 2012 until 28 February 2013 at a monthly rental of RM55,500.00 with all other terms and conditions remain unchanged as in the original Tenancy Agreement dated 14 January 2010.

### **TOWN PLANNING**

As stated in the title, the subject property is designated for industrial use.

**METHOD OF VALUATION**

In arriving at our opinion of Market Value, we have used the following methods of valuation:-

## (i) Comparison Method

The Comparison Method entails comparing the subject property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenurial interest and restriction if any, occupancy status, built-up area, building construction, finishes and services, age and condition of building and other relevant characteristics.

## Analysis of Sales Comparable:

COMPARABLES	1	2	3	4	5	6
Address	No. 23, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	No. 13, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	No. 5, Jalan Jurutera U1/23, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	No. 2, Jalan Jururancang U1/21, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	No. 3, Jalan Jururancang U1/21, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan	No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan
Title Particulars	Geran 215183, Lot 61789, Town of Glenmarie, District of Petaling, Selangor	Geran 215242, Lot 61861, Town of Glenmarie, District of Petaling, Selangor Darul	Geran 215655, Lot 61824, Town of Glenmarie, District of Petaling, Selangor Darul	HSD 225962, Lot PT 114, Town of Glenmarie, District of Petaling, Selangor Darul	Geran 215185, Lot 61791, Town of Glenmarie, District of Petaling, Selangor Darul	Geran 215194, Lot 61800, Town of Glenmarie, District of Petaling, Selangor Darul
Property Type	An industrial premise with a 3-storey office annexe	An industrial premise comprising a 2-storey warehouse with a 2-storey office annexe	An industrial premise comprising a 2-storey warehouse with a 3-storey office annexe	An industrial premise comprising a warehouse with 2 to 5-storey office annexe	An industrial premise comprising a warehouse with a 5-storey office annexe	An industrial premise comprising a double storey warehouse with a 3-storey office annexe
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Land Area, sf	45,766	32,572	41,753	62,786	43,530	51,420
Gross Floor Area, sf	67,596	23,300	26,600	57,444	57,044	20,400
Consideration	RM15,000,000	RM9,500,000	RM12,400,000	RM17,800,000	RM13,300,000	RM10,500,000
Source	Bursa Malaysia	Jabatan Penilaian dan Perkhidmatan Harta	Jabatan Penilaian dan Perkhidmatan Harta	Jabatan Penilaian dan Perkhidmatan Harta	Jabatan Penilaian dan Perkhidmatan Harta	Jabatan Penilaian dan Perkhidmatan Harta
Date Of Transaction	21-May-12	30-Mar-12	23-Mar-12	12-Oct-11	18-Jul-11	22-Jun-10
Time	no adjustment	no adjustment	no adjustment	upward	upward	upward
Adjustments - Qualitative						
Land size	no adjustment	downward	downward	upward	no adjustment	upward
Adjustments - Quantitative						
Differential Building Value	negative	positive	positive	negative	negative	positive
Differential Land Value	positive	positive	positive	negative	positive	negative
ADJUSTED VALUE	RM13,100,000	RM13,400,000	RM15,100,000	RM15,900,000	RM13,500,000	RM13,700,000

Adjustments made for 'Time' factor are to reflect the changes in market condition between the date of valuation of the subject property and the date of transaction of comparable properties. Adjustments made for the difference in size between the subject property and comparable properties are based on the notion that properties with a larger land size would have a higher degree of difficulty to be disposed off in the market.

The estimated building value (psf) in respect of each comparable is arrived at by making reference to the latest Davis Langdon & Seah Construction Cost Handbook Malaysia 2012 and on replacement cost basis after taking into account physical, economic and functional obsolescences.

After all the necessary adjustments for differences, we arrived at a range of RM13,100,000.00 to RM 15,900,000.00. All the comparables are sited within the immediate vicinity of the subject property and they have more or less the same characteristics as the subject property. Nonetheless, in reconciling our opinion of value, we have relied more on Comparables 1 to 4 as they are the 4 most recent transactions. These 4 comparables give an average of RM14,375,000.

Having regard to the foregoing, we have adopted RM14,380,000 in our valuation as a fair representation of adjusted value of the subject property using Comparison Method.

## (ii) Cost Method

In the Cost Method, the values of the land and building are separately determined and summation of these values is taken to be the Market Value of the property as an integral whole. The value of the land is arrived at by using the Comparison Method whilst the value of the building is arrived at by using the Depreciated Replacement Cost Method.

In the Depreciated Replacement Cost Method, the building value is taken to be equal the cost of replacing the buildings in their existing condition. This is determined by taking the current replacement cost of the buildings as new and allowing for depreciation for physical, functional and economic obsolescences, if any.

## Analysis of Sales Comparable:

COMPARABLES	1	2	3	4	5	6
Address	No. 23, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	No. 13, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	No. 5, Jalan Jurutera U1/23, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	No. 2, Jalan Jururancang U1/21, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	No. 3, Jalan Jururancang U1/21, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor	No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor
Title Particulars	Geran 215183, Lot 61789, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan	Geran 215242, Lot 61861, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan	Geran 215655, Lot 61824, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan	HSD 225962, Lot PT 114, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan	Geran 215185, Lot 61791, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan	Geran 215194, Lot 61800, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan
Property Type	A 3-storey office and warehouse building with mezzanine floor	A double storey warehouse with a double storey office annexe	A single storey warehouse with a 3-storey office annexe	An industrial premise comprising warehouse with 2 to 5-storey office annexe	An industrial premise comprising a warehouse with a 5-storey office annexe	A double storey warehouse with a 3-storey office annexe
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Land Area, sf	45,766	32,572	41,753	62,786	43,530	51,420
Gross Floor Area, sf	67,596	23,300	26,600	57,444	57,044	20,400
Consideration	RM15,000,000	RM9,500,000	RM12,400,000	RM17,800,000	RM13,300,000	RM10,500,000
Source	Bursa Malaysia Bhd	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta	Jabatan Penilaian Dan Perkhidmatan Harta
Date Of Transaction	21-May-12	30-Mar-12	23-Mar-12	12-Oct-11	18-Jul-11	22-Jun-10
Time Adjustment	no adjustment	no adjustment	no adjustment	upward	upward	upward
Qualitative Adjustments						
- Size	no adjustment	downward	downward	upward	no adjustment	upward
Estimated Building Value, psf	RM95	RM90	RM120	RM120	RM95	RM100
Analysed Land Value, psf	RM187	RM198	RM206	RM218	RM196	RM196

Adjustments made for 'Time' factor are to reflect the changes in market condition between the date of valuation of the subject property and the date of transaction of comparable properties. Adjustments made for the difference in size between the subject property and comparable properties are based on the notion that properties with a larger land size would have a higher degree of difficulty to be disposed off in the market.

The estimated building value (psf) in respect of each comparable is arrived at by making reference to the latest Davis Langdon & Seah Construction Cost Handbook Malaysia 2012 and on replacement cost basis after taking into account physical, economic and functional obsolescences.

After all the necessary adjustments for differences, we arrived at a range of RM187 per sq foot to RM218 per sq foot as improved land value.

All the comparables are sited within the immediate vicinity of the subject property and they have more or less the same characteristics as the subject property. Nonetheless, in recoupling our opinion of value, we have relied more on Comparables 1 to 4 as they are the 4 most recent transactions. These 4 comparables give an average of RM202 per square foot.

Having regard to the foregoing, we have adopted RM202 per square foot in our valuation as a fair representation of improved land value of the subject property.

	Reinstatement cost new (RM, psf)	Depreciation %	Depreciated cost (RM, psf)
(i) Double storey warehouse			
- Ground Floor, 24 feet ceiling height	160	23.3%	123
- First Floor, 12 feet ceiling height	135	23.3%	103
(ii) 3-storey office annexe			
- Main Floor Area	125	23.3%	96
- Ancillary Floor Area	100	23.3%	77
(iii) Guard House	60	23.3%	46
(iv) TNB Sub-station	60	23.3%	46

We have made reference to construction cost of similar buildings in the locality and costing published in the Davis Langdon & Seah Construction Cost Handbook Malaysia 2012.

We have adopted reinstatement cost new of RM125 per square foot for the office building, RM160 per square foot for the warehouse with 24 feet ceiling height and RM135 per square foot for the warehouse with 12 feet ceiling height. For the guard house and TNB sub-station, we have adopted a reinstatement cost new of RM60 per square foot.

The subject building was completed in 1998, i.e. having an age of 14 years old. Based on a building life span of 60 years, we have adopted a depreciation rate of 23% in our valuation after taking into account physical, economic and functional obsolescences.

Having regard to the foregoing, we arrived at an opinion of value of RM14,300,000.00 using the Cost Method.

### **RECONCILIATION OF VALUES**

The Market Value derived from the abovementioned methods are as follow:-

Comparison Method	-	RM14,380,000.00
Cost Method	-	RM14,300,000.00

Based on the above and in arriving at the Market Value of the subject property, we adopted the Market Value derived from the Cost Method in our final opinion of value supported by the Comparison Method.

### **OPINION OF VALUE**

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject property [Geran 215172, Lot 61777, Town of Glenmarie, District of Petaling, Selangor Darul Ehsan], with a Certificate of Fitness for Occupation issued, subject to the existing tenancy and free from the existing charge to Public Bank Berhad and all other encumbrances, is RM14,300,000.00 (Ringgit Malaysia : Fourteen Million And Three Hundred Thousand Only)

For and on behalf of  
**LANDSERVE SDN BHD**

  
**TAN KIM SENG** MRISM  
Executive Director  
Registered Valuer, V-661  
TKS/CHK

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of OCK and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular, false or misleading.

The information relating to Gainvest was provided by the management of Gainvest. The responsibility of the Board is limited to ensuring that such information has been accurately reproduced in this Circular.

**2. CONSENTS**

HwangDBS has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereon in the form and context in which it appears.

Landserve has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereon in the form and context in which it appears.

**3. DECLARATION OF CONFLICT OF INTERESTS****3.1 Principal Adviser**

HwangDBS is not aware of any circumstances or relationships, which exists or is likely to exist which gives rise to a conflict or potential conflict of interest in its capacity as the Principal Adviser to OCK in respect of the Proposed Acquisition.

**3.2 Valuer**

Landserve is not aware of any circumstances or relationships, which exists or is likely to exist which gives rise to a conflict or potential conflict of interest in its capacity as Valuer to OCK in respect of the Proposed Acquisition.

**4. MATERIAL COMMITMENTS**

As at the LPD, there are no material commitments incurred or known to be incurred by the Group that has not been provided for which upon becoming enforceable, may have a material effect on the financial position or results of the Group.

**5. CONTINGENT LIABILITIES**

As at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group that has not been provided for, which upon becoming enforceable, may have a material adverse impact on the financial position or results of the Group.

**6. MATERIAL CONTRACTS**

The following are the material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by OCK within two (2) years immediately preceding the date of this Circular:

- (i) On 31 October 2011, OCK entered into a share sale agreement with Aliran Armada Sdn Bhd (Co No 951885-W), Low Hock Keong, Chang Tan Chin and Chong Wai Yew whereby OCK agreed to acquire 100% of the issued and paid up share capital of OCK Setia for a purchase consideration of RM18,399,998 to be satisfied by the issuance of 183,999,980 new OCK Shares to Aliran Armada, Low Hock Keong, Chang Tan Chin and Chow Wai Yew. The transaction was completed on 8 June 2012;
- (ii) On 22 June 2012, OCK entered into an underwriting agreement with Alliance Investment Bank Berhad ("Alliance") and HwangDBS for the underwriting of 7,000,000 of the new shares to be issued pursuant to the initial public offering of OCK for an underwriting commission of 2.5% of the total value of the underwritten shares of OCK at the issue price. The underwriting agreement has since ceased with the listing of OCK on the Official list of the ACE Market of Bursa Securities on 17 July 2012;
- (iii) On 22 June 2012, OCK entered into a Sponsorship Agreement with Alliance for the appointment of Alliance as the sponsor to OCK for the period of one (1) full physical year from the date on which OCK is admitted on the official list of the ACE Market of Bursa Securities or such further period as may be agreed upon by the parties. In consideration of the services rendered by Alliance to OCK, OCK shall pay to Alliance a fee of RM225,000.00 for the period from July 2012 to December 2013 together with a service tax of RM5,625.00;
- (iv) On 4 July 2011, OCK Setia entered into a supplemental share sale agreement with two of its directors, Ooi Chin Khoon and Low Hock Keong whereby the two directors agreed to acquire the remaining 70% of the issued and paid up capital of OCK Setia Properties Sdn. Bhd. comprising 350,000 ordinary shares of RM1.00 each for the cash consideration of RM1,028,342.00. The purchase consideration was arrived at on a willing buyer-willing seller basis based on the adjusted NA as at 4 July 2011 of RM1.47 million. The transaction was completed on 30 October 2011; and
- (v) On 11 March 2011, OCK Setia entered into a sale and purchase agreement with Mohd Asri Bin Kader Burhad and Munjat Binti Abdullah for the sale of a double storey link house held under title No. PL66763 Lot No. 44156 Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan for a cash consideration of RM890,000.00. The sale consideration was based on the market value derived from comparing the sales of similar properties evidenced in the vicinity. The transaction was carried out on willing buyer-willing seller and on arm's length basis. The transaction was completed on 16 March 2012.

## 7. MATERIAL LITIGATION

As at the LPD, OCK is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of OCK and the Directors of OCK have no knowledge of any proceedings pending or threatened against OCK or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of OCK.



**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, during normal business hours from Mondays to Fridays (except for public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Memorandum and Articles of Association of OCK;
- (ii) the audited consolidated financial statements of OCK for the FYE 31 December 2011 and the unaudited quarterly results of OCK for the FPE 30 June 2012;
- (iii) the letters of consent referred to in Section 2 of this Appendix;
- (iv) the material contracts referred to in Section 6(i) to (v) above;
- (v) the SPA; and
- (vi) the Valuation Report dated 10 October 2012 as prepared by Landserve.



## **OCK GROUP BERHAD**

*(Company No: 955915-M)*

*(Incorporated in Malaysia under the Companies Act 1965)*

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of OCK Group Berhad (“**OCK**” or “**Company**”) will be held at Langkawi 1, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000, Kuala Lumpur on Friday, 7 December 2012 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modification:

#### **ORDINARY RESOLUTION**

**PROPOSED ACQUISITION BY OCK SETIA ENGINEERING SDN BHD (“OCK SETIA”), A WHOLLY-OWNED SUBSIDIARY OF OCK, OF A FREEHOLD LAND TOGETHER WITH A THREE (3)-STOREY FACTORY BUILDING BEARING THE ADDRESS NO. 18, JALAN JURUNILAI U1/20, HICOM GLENMARIE INDUSTRIAL PARK, SECTION U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN (“PROPERTY”) FROM GAINVEST CORPORATION (M) SDN BHD (“GAINVEST”) FOR A TOTAL CASH CONSIDERATION OF RM14,300,000.00 (“PROPOSED ACQUISITION”)**

“**THAT**, approval be and is hereby given to OCK Setia to acquire the Property from Gainvest for a total cash consideration of RM14,300,000.00, and upon the terms and condition of the sale and purchase agreement dated 24 September 2012 and supplemental agreement dated 9 November 2012 entered into between OCK Setia and Gainvest (collectively the “SPA”);

**AND FURTHER THAT**, approval be and is hereby given to the Board of Directors of the Company to give effect to the Proposed Acquisition with full power and authority:

- (a) to enter into and execute such further or other agreements, instruments, documents and deeds as the Board of Directors of the Company may from time to time deems fit, expedient or advisable for or in connection with the Proposed Acquisition,
- (b) to assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition and the SPA and/or any provision, term and condition thereof as may be required and/or as the Board of Directors of the Company deems fit, expedient or advisable, and
- (c) to do all such other acts, deeds and things as the Board of Directors of the Company may from time to time deem fit, expedient or advisable to implement, finalise and give full effect to the Proposed Acquisition.”

By Order of the Board

**Wong Youn Kim (MAICSA 7018778)**  
Company Secretary

Kuala Lumpur  
21 November 2012

**Notes:**

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act 1965 shall not apply to the Company.*
2. *Subject to Note 5 below, a member may appoint up to two persons to be his/her proxy. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
3. *In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given in writing under the company's Common Seal or under the hand of an officer or attorney duly authorised.*
4. *The Form of Proxy must be deposited at the Company's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours from time set for the meeting or any adjournment thereof.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 3 December 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

**FORM OF PROXY****OCK GROUP BERHAD**

(Incorporated in Malaysia under the Companies Act 1965)

\*I/We, \_\_\_\_\_

(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_

(ADDRESS)

being a member(s) of OCK GROUP BERHAD, hereby appoint \_\_\_\_\_

(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_

(ADDRESS)

or failing him/her, \_\_\_\_\_

(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_

(ADDRESS)

or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company to be held at Langkawi 1, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000, Kuala Lumpur on Friday, 7 December 2012 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

(\*Strike out whichever is not desired)

(Should you desire to direct your Proxy as to how to vote on the Resolution set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Acquisition		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

No of Shares Held:	
CDS Account No.:	
Tel No. (during office hours):	

\_\_\_\_\_  
Signature**Notes:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act 1965 shall not apply to the Company.
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Fold this flap for sealing

Then fold here

AFFIX  
STAMP

OCK GROUP BERHAD  
(955915-M)  
LEVEL 2, TOWER 1  
AVENUE 5, BANGSAR SOUTH CITY  
59200 KUALA LUMPUR

1st fold here