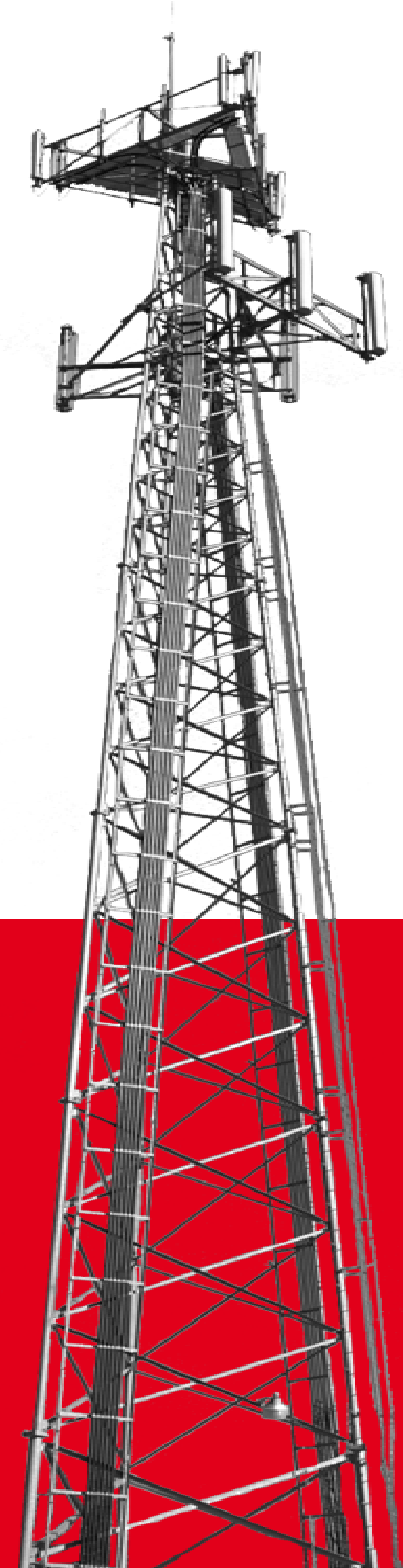
OCK Group Berhad (955915-M)

No.11 & 13, Jalan Puteri 2/6, Bandar Puteri Puchong,
47100 Puchong, Selangor Darul Ehsan,
Malaysia.
Tel : +603-8065 6868
Fax : +603-8065 6800
www.ock.com.my

OCK Group Berhad (955915-M)

Annual Report **2012**



OCK GROUP BERHAD
(955915-M)

Driving Network Solution

Annual Report **2012**

VISION

To be an Entrusted Partner of Telecom Services and Resources Provider to the Original Equipment Manufacturers and Telecom Operators.

MISSION

To dedicate ourselves to provide excellence services exceeding our Customer's expectation.

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CORPORATE PROFILE

Established in 2000, OCK Group is principally involved in the provision of telecommunications network services. We are able to provide full turnkey services in that respect. Our product/service offering comprehensively covers services from all 6 segments of the telecommunications network services market: network planning, design and optimization, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services.

More recently, OCK Group has also diversified into the trading of telecommunications network materials and equipment, as well as enterprise network security solutions. In 2006, our Group began trading telecommunications network equipment and materials as a synergistic activity to its principal telecommunications network services business. In 2010, our Group also ventured into the trade of network security software for enterprise users with the acquisition of Singaporean-based company Fortress Pte Ltd.

In 2010, we also ventured into the supply, installation and commissioning of green energy systems, focusing on solar power generation by using solar power panels to be used in tandem with generators mainly for our customers. We established EI Power Technologies Sdn Bhd (EIPT) to venture into the green energy business and have since installed several successful pilot solar generation systems.

In 2011, we were awarded the necessary license to allow us to be owners and to operate telecommunications facilities. We are currently planning and also implementing our Network Facility Provider (“NFP”) Plan.

In 2012, we won the First Prize of the “Outstanding SMEs Award” and one of the “100 Outstanding SME Award” in the Nanyang Golden Bull Award. We were also listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

20 metres Lamp Pole

24 metres Concrete Lamp Pole

45 metres Three-Legged Tower

CORPORATE MILESTONES

2000	• OCK was established
2004	• Registered as ASP's with Ericsson and Alcatel-Lucent
2005	• Awarded a network deployment contract by DIGI
2006	• Awarded a turnkey network deployment contract by U Mobile
2007	• Awarded an IBC contract by Maxis • Awarded a field maintenance contract by NSN and Alcatel-Lucent to maintain Celcom's 3G's radio base station and radio microwave equipment • Awarded a managed service contract by Ericsson to maintain U Mobile's civil, M&E infrastructure, 3G radio base station and radio microwave equipment • Awarded Celcom's 3G swap contract by Alcatel-Lucent involving the replacement of old generation equipment with new 3G equipment
2008	• Awarded a WIMAX network deployment contract by Alcatel-Lucent • Awarded a radio and microwave equipment installation, testing and commissioning contract by ZTE • Awarded a installation, testing and commissioning of radio microwave equipment and project management contract by NEC for DIGI
2009	• Awarded a turnkey network deployment contract by Huawei, Ericsson and Alcatel-Lucent • Awarded a contract for installation, testing and commissioning for optical SDH and DWDM equipment by Alcatel-Lucent • Awarded a contract for installation, testing and commissioning of WIMAX equipment by ZTE
2010	• Awarded a WIMAX network deployment contract by YTL • Awarded an implementations contract by Huawei for Maxis's NGBB • Awarded a radio network optimization contract by Alcatel-Lucent to optimize Celcom's 3G network
2011	• Awarded a turnkey WIMAX network deployment contract by Millercom Sdn Bhd, a wholly own subsidiary of P1 • Awarded a radio network optimization contract by Huawei to optimize DiGi's network • Awarded a radio network optimization contract by Huawei to optimize Celcom and U Mobile's network • Awarded a radio equipment modernization contract by Huawei to modernize Celcom's 3G network • Awarded a radio equipment swap contract by ZTE to upgrade DiGi's old equipment • Awarded a microwave links and related equipment installation services contract by SIAE • Awarded a design, construction, implementation and consolidation of sites contract by DiGi and Celcom • Awarded necessary licenses from Malaysian Communications and Multimedia Commission (MCMC) to be a Network Facilities Provider (NFP)
2012	• Listed on the ACE MARKET of Bursa Securities • Awarded FIRST PRIZE at the 2012 Nanyang Golden Bull Awards

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Syed Norulzaman Bin Syed Kamarulzaman
Senior Independent Non-Executive Chairman

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

Fu Lit Fung
Independent Non-Executive Director

Lee Yow Fui
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Dato' Syed Norulzaman Bin Syed Kamarulzaman
(Senior Independent Non-Executive Director)

Members
Fu Lit Fung
(Independent Non-Executive Director)
Lee Yow Fui
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Chairman
Dato' Syed Norulzaman Bin Syed Kamarulzaman
(Senior Independent Non-Executive Director)

Member
Fu Lit Fung
(Independent Non-Executive Director)

Lee Yow Fui
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Chairman
Dato' Syed Norulzaman Bin Syed Kamarulzaman
(Senior Independent Non-Executive Director)

Member
Ooi Chin Khoon
(Managing Director)
Lee Yow Fui
(Independent Non-Executive Director)

COMPANY SECRETARY

Wong Youn Kim
(MAICSA 7018778)

REGISTERED OFFICE

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

Tel : (603) 2241 5800
Fax : (603) 2282 5022

PRINCIPAL PLACE OF BUSINESS

No. 11 & 13, Jalan Puteri 2/6
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan

Tel : (603) 8065 6868
Fax : (603) 8065 6800
website: www.ock.com.my

CORPORATE INFORMATION

AUDITORS

Baker Tilly Monteiro Heng (AF 0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tel : (603) 2297 1000
Fax : (603) 2282 9980

SHARE REGISTRAR

Equiniti Services Sdn Bhd (11324-H)
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur

Tel : (603) 2166 0933
Fax : (603) 2166 0688

ADMISSION SPONSOR

Alliance Investment Bank Berhad (21605-D)
Level 3, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur

Tel : (603) 2604 3333
Fax : (603) 2691 9028

PRINCIPAL BANKERS

AmIslamic Bank Berhad (295576-U)
Level 18, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel : (603) 2026 3939
Fax : (603) 2026 6855

Industrial and Commercial Bank of China (M) Berhad (839839-M)
Ground Floor, Wisma Equity
150 Jalan Ampang
50450 Kuala Lumpur

Tel : (603) 2380 8628
Fax : (603) 2380 8668

Malaysia Debt Ventures Berhad (578113-A)
Level 5, Menara Bank Pembangunan
1016, Jalan Sultan Ismail
50250 Kuala Lumpur

Tel : (603) 2617 2888
Fax : (603) 2697 8998

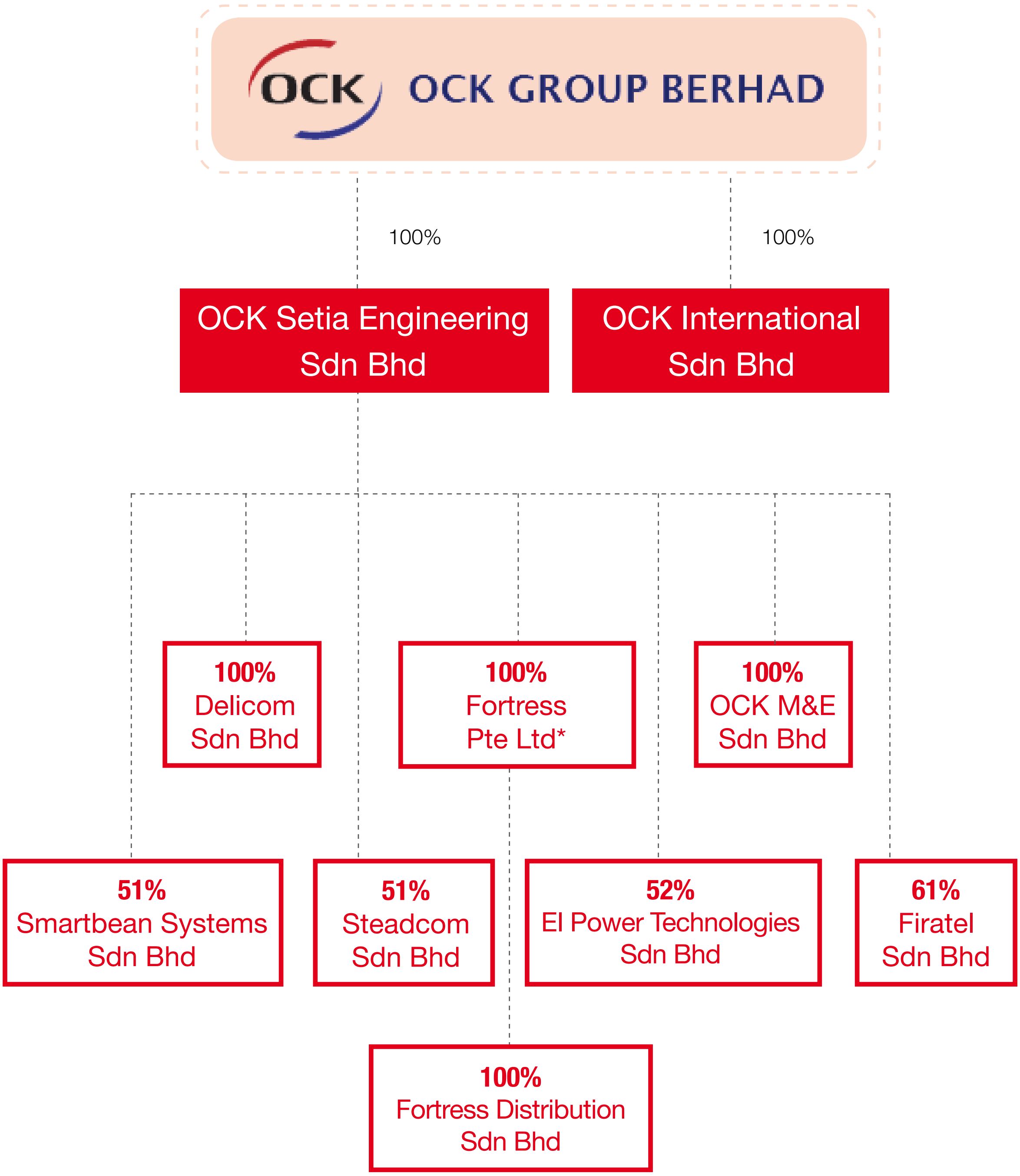
RHB Bank Berhad (6171-M)
Jalan Tun Razak
50400 Kuala Lumpur

Tel : (603) 9280 6068
Fax : (603) 9287 9000

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad (30632-P)
Stock Name : OCK
Stock Code : 0172

CORPORATE STRUCTURE
AS AT 19 APRIL 2013

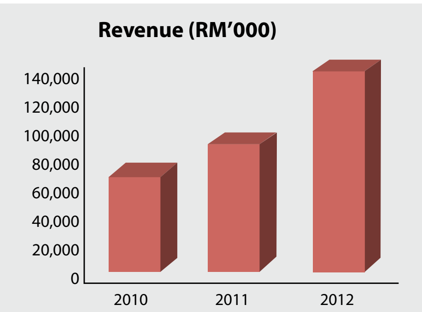


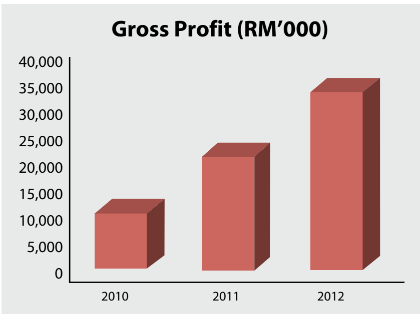
** Incorporated in Singapore*

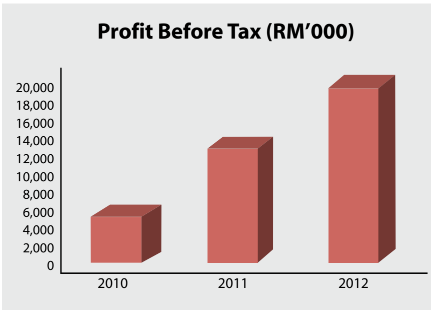
FINANCIAL HIGHLIGHTS

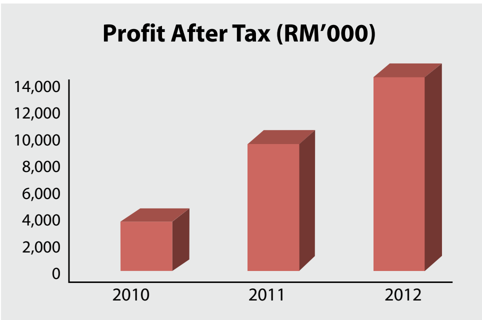
FYE 31 DECEMBER	PROFORMA (AUDITED) 2010	PROFORMA (AUDITED) 2011	AUDITED 2012
Revenue (RM'000)	66,778	88,325	**138,602**
Gross Profit (RM'000)	11,890	22,413	**35,464**
Gross Profit Margin (%)	17.81	25.38	**25.59**
EBITDA	7,305	14,847	**22,697**
Profit Before Tax (RM'000)	4,989	12,330	**19,043**
Profit Before Tax Margin (%)	7.47	13.96	**13.74**
Profit After Tax (RM'000)	3,516	9,200	**13,954**
Profit After Tax Margin (%)	5.27	10.42	**10.07**
Basic Earnings Per Share (sen)**	-	-	**5.10**

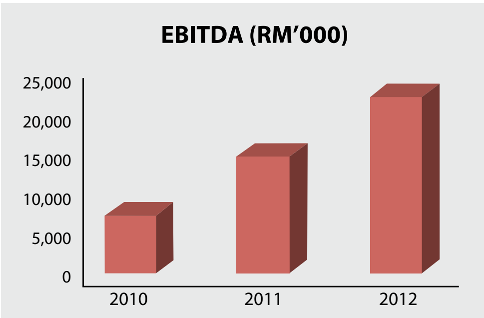
Notes:
2010 and 2011 Proforma Accounts are for comparison purposes only and should be read in conjunction with the Proforma Consolidate Financial Information and Accounts as disclosed in the Prospectus dated 29 June 2012
* *The net earnings per share is computed based on the consolidate profit after tax divided by the number of shares in issue before the Public Issue of 184 million share*
** *Computed based on the net profit divided by the weighted average number of ordinary shares in issue during the financial year*
*** *The Company's current number of shares in issue post the Public Issue of 259 million shares*





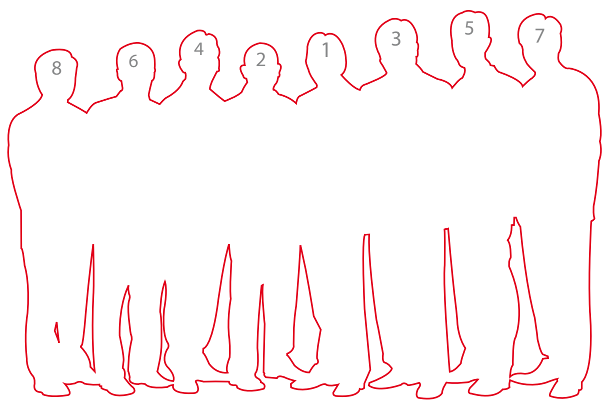






BOARD OF DIRECTORS

1. Dato' Syed Norulzaman Bin Syed Kamarulzaman
2. Abdul Halim Bin Abdul Hamid
3. Ooi Chin Khoon
4. Low Hock Keong
5. Chang Tan Chin
6. Chong Wai Yew
7. Fu Lit Fung
8. Lee Yow Fui



DIRECTORS' PROFILE

Dato' Syed Norulzaman Bin Syed Kamarulzaman

Malaysian, Aged 64,

Senior Independent Non-Executive Chairman
(Appointed on 3 January 2013)

Dato' Syed Norulzaman Bin Syed Kamarulzaman is our Independent Non-Executive Chairman. Dato' Syed Norulzaman holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

Upon graduation from the University of Malaya, Dato' Syed Norulzaman Bin Syed Kamarulzaman joined the Administrative and Diplomatic Service of the Malaysian Government in 1973 and was assigned to the Ministry of Foreign Affairs. Dato' Syed Norulzaman served in different capacities in the Ministry's Political and Administration divisions as well as in Malaysia's diplomatic mission in Geneva, Baghdad, Ottawa and Jakarta. In September 1994, Dato' Syed Norulzaman was appointed as Malaysia's Ambassador to Spain where he served for 3 years. On returning to Kuala Lumpur in November 1997, he assumed the post of Undersecretary for East Asia and South-Asia at the Ministry of Foreign Affairs, prior to his appointment to head the Institute of Diplomacy and Foreign Relations, Prime Minister's Department, as its Director General in June 1999. He returned to the Ministry of Foreign Affairs in November 2001 before his appointment as Malaysia's Ambassador to the Kingdom of Thailand, a position he held until January 2005. He was subsequently appointed as Malaysia's Ambassador to the People's Republic of China, based in Beijing where he served for 5 years till December 2009 before returning to Malaysia to retire from government service.

Upon his return to Malaysia, Dato' Syed Norulzaman was appointed as Public Interest Director at the Federation of Investment Managers Malaysia (FIMM), a position he held until August 2012. He is currently a Director of Winnburner Asia Sdn Bhd. Dato' Syed Norulzaman is also the Chairman of Mah Sing Foundation, a charitable organisation providing assistance to the neeedy within the community.

He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company, respectively.

Abdul Halim Bin Abdul Hamid

Malaysian, Aged 46,

Deputy Chairman
(Appointed on 31 October 2011)

Abdul Halim Bin Abdul Hamid is our Group's Deputy Chairman. Encik Halim completed his secondary education at Sekolah Menengah Tuanku Abdul Rahman Putra, Selangor in 1985.

Encik Halim has more than 20 years' experience in telecommunications engineering services industry. Prior to his venture into telecommunications industry, he commenced his business ventures in the food and beverage sector by offering local cuisine in various locations in the state of Selangor, such as food courts and school canteens from 1986 to 1991.

Encik Halim started his career in telecommunications industry as a supervisor with Mognas Communication Sdn Bhd. Mognas Communication Sdn Bhd was one of the pioneering network deployment companies in Malaysia in the 1990s. He subsequently moved to Rank Liberty Sdn Bhd in 1996 as a Senior Supervisor before joining Prospective Goals Sdn Bhd as its Project Manager in 1997. Accordingly, Encik Halim is also one of the pioneers who contributed in the telecommunications industry whereby he had contributed in terms of introducing various kinds of telecommunication structures and equipment in Malaysia.

In 2007, Encik Halim acquired shares in the Group's subsidiary companies, namely OCK Setia Engineering Sdn Bhd and Delicom Sdn Bhd.

Since then, Encik Halim progressively develops his contribution in OCK by overseeing the day to day technical aspect of OCK.

DIRECTORS' PROFILE (CONT'D)

Ooi Chin Khoon

Malaysian, Aged 45,

Managing Director
(Appointed on 31 October 2011)

Ooi Chin Khoon is our Group's Managing Director. Mr. Ooi graduated from Tri-State University, now known as Trine University, Indiana, United States of America, with a Bachelor's Degree in Electrical and Electronics Engineering in 1996. Prior to that, he obtained a Diploma in Electrical and Electronic Engineering from TAFE College in Negeri Sembilan in 1992.

Mr. Ooi began his career in 1992 as an Electrical Engineer at Cobrain Holding Sdn Bhd and was promoted as its Project Manager in 1994. He left the industry briefly to continue his studies in electrical and electronic engineering and rejoined the company in 1996 as a Senior Project Manager and was promoted to the position of Contract Manager in 1998 whereby he was tasked with the responsibility of customer contracts management.

In 1999, Mr. Ooi founded OCK Setia Engineering Services as sole proprietorship and later expanded the business with the incorporation of Delicom Sdn Bhd and OCK Setia Engineering Sdn Bhd ("OCK Setia") in 2000.

Currently, Mr. Ooi is the Managing Director of our Group. Apart from managing the operations of our Group, he is also responsible for formulating and executing the business strategies of our Group. He plays key role in driving the growth, development, transformation and strategic direction of our Group.

Mr. Ooi is a member of the Remuneration Committee.

Low Hock Keong

Malaysian, Aged 42,

Executive Director
and General Manager
(Appointed on 31 October 2011)

Low Hock Keong is also our Group's General Manager. In 1994, Mr. Low graduated from Monash University, Melbourne, Australia with First Class Honours in his Bachelor's Degree of Electrical and Computing. In 1997, he completed his Master of Engineering Science from University of Malaya.

Mr. Low began his career with Mutiara Telecommunications Sdn Bhd, now known as DiGi, as a Transmission Engineer in 1995. After two (2) years, he joined Andersen Consulting Sdn Bhd, now known as Accenture Solutions Sdn Bhd, as an analyst focusing on Software System Development and Telecommunications.

In 1999, Mr. Low joined Alcatel Network System (M) Sdn Bhd, now known as Alcatel-Lucent, as a Radio Frequency Planning and Optimisation Engineer. He was later promoted to the position of Regional Radio Frequency Manager before he took up the role to head and lead the Radio Planning and Optimisation team that supports various projects in the region.

In 2006, Mr. Low joined us as our General Manager. He is responsible for overseeing the Group's overall daily operations.

DIRECTORS' PROFILE (CONT'D)

Chang Tan Chin

Malaysian, Aged 45,

Executive Director and
Technical Director
(Appointed on 31 October 2011)

Chang Tan Chin is also our Group's Technical Director. Mr. Chang graduated from University of Hertfordshire, United Kingdom in 1995 with a Bachelor's Degree in Electrical and Electronic Engineering. In 2000, he became a member of the Institution of Engineers Malaysia. In the same year, he was a recognised Professional Engineer by Board of Engineers in Malaysia.

Mr. Chang started his career with Perunding KDI Sdn Bhd as an Electrical Engineer after graduating in 1995. In 1997, he joined Technic Delta M&E Engineering Sdn Bhd as an Electrical Engineer before joining Transframe Sdn Bhd as Project Manager in 1998. In 2003, he joined SRL Electrical Engineering Sdn Bhd as its Project Manager prior to accepting the position of Technical Director at OCK M&E Sdn Bhd in 2005 where he monitors the overall project planning and implementation, manages procurement planning and delivery and project cash flow projections. He is currently the head of our installation team, and also the Head of ISO Standards to monitor all projects' QA and QC requirements and standards.

Chong Wai Yew

Malaysian, Aged 43,

Deputy Chairman
(Appointed on 31 October 2011)

Chong Wai Yew is also one of our Group's Project Management Directors. Mr. Chong graduated from University of East London with a Bachelor's Degree in Electrical and Electronic Engineering in 1996.

Mr. Chong's began his employment in 1996 with United Perunding & Associate Sdn Bhd in Kuala Lumpur, where he worked as Consultant Engineer. Subsequently, he joined OCK Setia Engineering Sdn Bhd in 2002 as our Project Director and was subsequently promoted to be our Project Management Director in 2008.

He is responsible for overseeing the telecommunications projects undertaken for Huawei as well as our turnkey network deployment project with P1.

DIRECTORS' PROFILE (CONT'D)

Lee Yow Fui

Malaysian, Aged 42,

Independent
Non-Executive Director
(Appointed on 8 June 2012)

Lee Yow Fui is our Independent Non-Executive Director. Mr. Lee graduated from Monash University, Melbourne, Australia in 1995 with a Bachelor's Degree of Business (Accounting). He was admitted as a member of Certified Practising Accountant (CPA) Australia in 1998 and as a Public Accountant by the Malaysian Institute of Accountants in 1999. In 2008, Mr. Lee completed his Master of Business Administration (Business and Accountancy) from University of Malaya.

In 1996, he joined Moores Rowland as an Audit Junior. In 1997, he moved to Deloitte & Touche as an Audit Senior responsible for leading teams in audits in amongst others civil engineering, construction and semi-conductor manufacturing industries.

He subsequently left the professional services industry in 2000 and joined Richard's Lighting Sdn Bhd as Finance and Administration Manager whereby he was in charge of managing the group accounts and supervising of the finance and administrative departments. He subsequently moved to Newspage (Malaysia) Sdn Bhd as their Finance and Administration Manager in 2001.

Mr Lee has been the partner in Y.F Lee & Associates since 2002 to current, providing audit and taxation services as well as assisting businesses develop accounting systems and accounting internal controls. He is also a finance director in Brightstar Distribution Sdn Bhd, a company distributing mobile phones, since 2009. His role in Brightstar Distribution Sdn Bhd is to be in charge of finance related matters of the company and to improve on the working procedures and compliance and enhance work efficiency within departments of the company.

He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company, respectively.

Fu Lit Fung

Malaysian, Aged 44,

Independent
Non-Executive Director
(Appointed on 8 June 2012)

Fu Lit Fung is our Independent Non-Executive Director. Mr. Fu graduated with a Bachelor of Business majoring in Accounting from Monash University, Melbourne, Australia in 1997. He was attached to Dandag (M) Sdn Bhd as an Accounts Executive in 1993. Subsequent to his graduation, he was an Auditor in Leslie Yap & Co. from 1998 to 1999. Prior to his current position, he was the Finance and Administration Manager of BASIS Corporation Sdn Bhd from 1999 to 2004.

He is currently an Executive Director of Logical Force Sdn Bhd whose principal businesses are dealing in IT gadgets and accessories, photography equipment and accessories and also provision of high-end security systems for local and international markets.

He is the member of the Audit Committee and Nomination Committee of the Company, respectively.

He is also an Independent Non-Executive director of Nextnation Communication Berhad, a company listed on the ACE Market of Bursa Securities.

Other Information:

1. *There are no family relationships amongst the Directors and/ or major shareholders of the Company.*
2. *None of the Directors has any conflict of interest with the Company.*
3. *None of the Directors of the Company has been convicted for offences other than traffic offences (if any) within the pass ten years.*

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of OCK GROUP BERHAD, I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 December 2012.

Dato' Syed Norulzaman Bin Syed Kamarulzaman

Senior Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT (CONT'D)

Dear Shareholders,

On behalf of the Board of Directors of OCK Group Berhad ("OCK" or the "Group), it is my pleasure to present the 2012 Annual Report and the audited accounts of the Group for the financial year ended 31 December 2012 ("FY2012").

As the newly appointed Chairman of OCK Group, I am delighted that OCK has delivered commendable result for FY2012 with a registered revenue of RM138.60 million and a net profit in excess of RM13.95 million. I believe that the Group's continuing strong financial growth is the result of hard work and dedication by a group of experienced personnel, coupled with a strong partnership with various technology companies that the Group has fostered over the years.

This year marks a significant milestone for the Group, as OCK was listed successfully on the ACE Market of Bursa Securities on the 17 July 2012, despite a series of tough economic conditions and market sentiments. With this year's outstanding performance, I am confident that the Group will soon be eligible to transfer to the Main Market of Bursa Malaysia. Our listing exercise has brought us to the next level in the Group's long-term strategic plan and has provided the opportunity for our business to expand into regional markets such as Thailand, Myanmar and Indonesia.

Back in 2011, OCK was awarded the Network Facilities Provider ("NFP") Individual License by the Malaysia Communications and Multimedia Commission ("MCMC"). With this license, OCK is able to provide infrastructure facilities such as telecommunication towers, pole, duct and pit in conjunction with other network facilities. In terms of providing telecoms infrastructure, the Group is licensed to buy, own and lease to operators under this NFP Individual License.

Within a short period of time, from September to December 2012, the Group managed to build and own significant number of sites in Penisular Malaysia, both rooftop and on-ground towers, and leased sites to a Telco company. The Group aims to construct or via asset acquisitions to own more sites in 2013.

In addition to the abovementioned telecommunication network services, partnered with further key ingredients such as the Group's M&E Engineering, Trading and Green Energy Power Solutions is what formulates our comprehensive total solutions as a Group. Thus, the Group are proud to be able to provide a one-stop destination for our clients.

In planning for the Group's business growth, the Group announced the acquisition of an industrial property in Glenmarie, Selangor for a consideration of RM14.30 million. This is where the Group will be consolidating the physical premises of its headquarters and warehouses for better management.

CHAIRMAN'S STATEMENT (CONT'D)

Financial Performance

The Group achieved a record-breaking revenue of RM138.60 million for the FY2012, representing an increase of 56.92% from the previous year. The profit attributable to equity holders of the Company reached RM13.95 million in 2012, a tremendous increase of 51.67% compared to 2011. Basic earnings per share of the Group was 5.10 sen while capital expenditure was RM21.71 million, accounting for 15.67% of the total revenue.

In terms of our segmental performance, all four segments of the Group delivered a strong revenue increase within this year as compared to 2011; our core business telecommunications led the way with a total revenue of RM98.59 million. Our trading and M&E segments registered a staggering growth in revenue of approximately 166% and 150% respectively, as compared to the previous year.

The Company had declared an interim dividend of RM0.005 in September 2012.

Following our interim dividend, a final dividend of RM0.005 is being proposed, which will translate to a total dividend yield of 2%. Therefore, the Group will have issued a total dividend of RM2.58million for the year, which I believe is a satisfactory equity return.

Industry

As our main focus is in telecommunication engineering services, the Government granted licenses to seven (7) Telecoms operators, which six of them are our current direct and indirect customers. We believe that with this LTE (Long Term Evolution) launched in December 2012, our Group will have plenty of opportunities in the full turnkey engineering services – for instance, in network planning and design, site acquisition and permitting, site deployment, telecom implementation, network integration and operation, and maintenance.

The Group are confident that the population growth, rising income, continuing advancement in wireless devices and increasing consumption, will definitely lead to stronger growth of demand in the Telco segment. In 2013, the Malaysian telecommunications market is expected to invest sizable capital expenditure of approximately RM4.5 billion. The Group aims to seize this opportunity and take steps in strategic transformation and scale development to enhance corporate long-term competitiveness.

We believe that the opportunity in this segment of the business is huge and there is plenty of potential to grow. The industry is currently experiencing rapid evolution and the convergence of information and communication technology – for instance, the popularity in data services over voice data services, frequent internet surfing, etc. With these transformation, more network transmission locations will be required, and an increase in the number of network equipment is expected to be deployed at each site, resulting in more opportunities for OCK. We expect these incremental changes in data communication and software development to vastly contribute to the growth in revenue for the Group in the coming years.

CHAIRMAN'S STATEMENT (CONT'D)

Corporate Governance and Social Responsibilities (CGSR)

The Group continues to strive to maintain a high level of corporate governance and transparency in order to ensure the continued, healthy growth of the Group. This was evident in 2012, when our Subsidiary, OCK Setia Engineering Sdn. Bhd. won the First Prize of the "Outstanding SMEs Award" as well as one of the "100 Outstanding SME Award" in the Nanyang Golden Bull Awards 2012, organised by Nanyang Siang Pau Sdn. Bhd. It is an honour and a privilege for OCK to have won these awards.

In today's competitive environment, it is a challenge for us all to strive for a balance at work, at home and in our contribution to society, as companies strive for economic excellence and employees are pressured to perform. However, the Group believes in giving back to the society as we are all a part of it. During the year, the Group organised a visit to the Ti-Ratana Welfare Home, a home for old folks and orphanage in Desa Petaling. Despite their busy schedules, more than 50 employees participated in the event, making it a major success. Together with the precious time spent with the children and old folks, OCK also assisted Ti-Ratana to check off some items of their wish list for the Christmas season.

Outlook and Summary

In Malaysia, we previously migrated from GSM to 2G, and subsequently from 2G to 3G. Presently, the migration of 3G to 4G services has emerged. Based on IEMR Malaysia Mobile Operators Forecast it is expected that Malaysia will achieve approximate 41.9 million mobile users hence increases market competition among the mobile operators. Thus great prospects and opportunities ahead for the Group.

We are currently the market leader in Malaysia. We will continue to take on new opportunities and face challenges a head on to maintain our position. In addition, with the support from MCMC and the transformation in technology and Telco segments, we will continue to enhance our services and product offerings in network optimisation services, test equipment and Telco towers and equipment.

In the past, our focus was in Network Service Deployment, and Mechanical and Electrical ("M&E") Engineering works, but going forward, we intend to build, own and lease Telco towers to operators with an average return of equity of more than 10%. Furthermore, we will continue to look for opportunities to maximise our assets and expand further into regional countries such as Vietnam, Myanmar, Indonesia, Thailand and Philippines. We will continue to put in effort to strengthen our management capabilities and improve the competitive edge of our products and services.

Our appreciation

Our employees have worked in a demanding environment and they have contributed much effort towards achieving the success of our Group, which is evident in our recent financial performance. Our future success will also very much depend on their continued efforts. On behalf of the board of directors, I would like to thank them for their continued hard work and dedication to the OCK Group.

Lastly, on behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to all our shareholders for their continued support and trust in OCK Group Berhad.

Dato' Syed Norulzaman Bin Syed Kamarulzaman

Senior Independent Non-Executive Chairman

MANAGEMENT REVIEW

BUSINESS ACTIVITIES

OCK Group is principally involved in the provision of telecommunication services. We are equipped with the necessary expertise and ability to provide full turnkey services, which comprehensively covers all six segments of the telecommunications network market: network planning, design and optimisation, network deployment, operations and maintenance, energy management, infrastructure management and other related professional services. Our comprehensive service offerings are set within our four core business segments which are explained below: -

Ooi Chin Khoon
Managing Director

1. Telecommunications Network Services

For FY2012, Telecommunication Network Services remains to be the Group's key profit contributor with a recorded revenue of RM98.59 million making up 71.13% of the Group's total revenue for the fiscal year.

The principal activities of our Telecommunication Network Services consist of network planning, design and optimisation, network deployment, network operations and maintenance and other related services. Under our network deployment services, we offer telecommunication infrastructure services within the domestic market which include site acquisition, securing zoning and permits from the relevant Government and local authorities, and structural analysis. Our capability to provide these comprehensive turnkey services enables us to provide end-to-end solutions to our clientele.

In November 2011, the Group was awarded the Network Facilities Provider Individual License (NFP) from the Malaysian Communications and Multimedia Commission (MCMC), which enables the Group to buy, own and lease telecommunication infrastructures nationwide. The ability of the Group to buy, own lease telecommunication infrastructures has resulted in positive contributions and increased revenue streams.

At present, we are focused on providing advancement services for cellular telecommunication networks to meet current market demands and upgrades. In this respect, we have been completing implementation works for major cellular network operators such as Maxis, Celcom, DiGi, U Mobile, P1 and YTL.

2. Trading of Telecommunication & IT Products

The Group's trading activities has substantially increased to RM11.68 million for FY2012 compared to RM4.38 million in FY2011. This revenue is principally derived from trading activities in telecommunications hardware and installation of related equipment such as antenna, feeder cable, connectors, water proofing tapes and others. OCK is also involved in trading of IT security products, with our Singapore office specialising in providing network security products and solutions for the enterprise sector.

MANAGEMENT REVIEW (CONT'D)

3. Green Technology and Power Solutions

The Group's Green Technology and Power Solutions business revenue increased to approximate RM18.80million compared to RM14.9million in FY2011 due to higher volume of generator sets solds as a result of higher demand.

Leveraging on our understanding and expertise in systems integration, the Group has been actively growing our green energy segment, focusing on solar power generation in order to capitalise on the increasing global trends of environmental concerns and sustainability. Going forward, our green energy generation systems can be acting as backup power solutions to our clients and for other commercial use. This initiative has positively impacted our top-line financial performance.

4. Mechanical & Electrical (M&E) Engineering Services

In FY2012, our M&E Engineering Services segment reported a revenue of RM9.54 million compared to RM3.81 million in FY2011. This favourable variance in revenue is derived from the provision of mechanical and electrical engineering services for the development of standalone commercial buildings, healthcare institutions, other types of buildings and infrastructure.

2012 PERFORMANCE HIGHLIGHTS

Our Group was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 17 July 2012. This significant milestone was coupled with efficient operational achievements and management's proactive initiatives which drove a 57.29% growth in revenue for 2012 of RM138.6 million and a net profit of RM13.95 million compared to its preceding financial year. We are confident that we will be able to deliver another positive growth for 2013, barring any unforeseen circumstances.

During the second half of the 2012 fiscal year, we made several investments in our workforce and operations to support our future growth as well as local and regional expansion.

Firstly, our successful listing on Bursa Securities provides a prominent platform for the Group to gain local and regional recognition and hopefully international recognition in the future. The capital raised from our Initial Public Offering has enabled the Group to invest in and expand our operational activities that will positively contribute to our long-term growth strategy.

Secondly, after being awarded with our NFP License from MCMC, we have successfully completed the erection of our telecommunication infrastructures at various locations in different states in Peninsular Malaysia towards the end of 2012. With the government's initiative in promoting and encouraging telecommunication network providers to share infrastructure, we anticipate that there will be an increasing growth in leasing opportunities for our telecommunication infrastructures. We believe that this investment will provide a strong foundation for our long term growth over time and contribute positively towards our recurring income.

OCK has always been proactive by ensuring that we have the in-house capabilities and technological expertise to serve the ever increasing popularity and continuous evolution of smartphones as well as the rising market demand for higher performance in telecommunication technology such as data download and 3G/4G networks.

In December 2012, the Government of Malaysia announced the allocation of the LTE license to seven (7) telecommunication network providers in which six (6) of these providers are our clients and/or business partners directly or indirectly. The constant upward trend in capital expenditure within the telecommunications network market has resulted in an increased demand for our Group's services and operational activities in the area of network upgrades and technological advancements.

MANAGEMENT REVIEW (CONT'D)

Positioning for Sustained Strategic Growth and Advantage

The Group is continuously developing towards technological advancement, innovation and expertise in our industry to ensure that we maintain our competitive edge and are always strategically positioned for sustained growth.

Our strategy is to capitalise on the growth of telecommunication network services and the evolution of advanced wireless and mobile networks, as well as the expansion and improvement of infrastructure required to deploy current and future generations of telecommunications technology i.e. the upcoming deployment of LTE networks, while maintaining a financially robust balance sheet. To achieve this, our focus will be:-

1. Increase leasing activities of our telecommunication sites

Our NFP license enables the Group to further increase the leasing activities of our current telecommunication infrastructures, and we will leverage on the Government's initiative to implement the sharing of infrastructure facilities. This initiative will benefit both our clients and the Group since our clients will be able to minimise costs by going "asset light" and OCK can maximise capacity by leasing to multiple network providers.

2. Invest in building additional telecommunication infrastructure

As a result of the increasing trend in capital expenditure within the telecommunications network market where the major telecom operators are reported to invest approximate RM4.5 billion in 2013 on the development and rollout of 4G LTE services & network upgrades. OCK intends to capitalise on the anticipated demand for telecommunication infrastructures. As such, the Group is targeting to build and own up to more sites in 2013 to accommodate market demands.

3. Continued improvement on our operational performance

We are continuously seeking opportunities to improve our operational performances which include investing in human resources and technological advancements in order to best serve our industry. In October 9 2012, we successfully acquired 51% equity stake in Smartbean Systems Sdn Bhd to compliment the Group's business activities. There is a growing need for testing and verification equipment as telecommunication companies continue to expand its network coverage and upgrading of their equipment and systems. Since Smartbean Systems Sdn Bhd is a company that is involved in products and testing solutions, the acquisition will result in synergistic contributions for the Group.

OCK Group provides continuous training for our employees in line with the consistent advancement and technological evolution to ensure that our team of expertise are always efficient, innovative and are strategically positioned at the forefront in this fast changing and competitive environment.

MANAGEMENT REVIEW (CONT'D)

PROSPECTS AND EXPANSION

As mentioned above, in December 2012, MCMC awarded the LTE license (ie 2600 Megahertz spectrum) to seven (7) telecommunication companies. This award will give rise to new opportunities in the telecommunications network market as telecommunication companies are expected to upgrade and invest in additional infrastructure and equipment to capitalise on and accommodate the increased volume of data transfer under the 3G and 4G environment. Taking this into consideration, the outlook for the telecommunications network market in Malaysia remains to be positive with steady growth projected from 2011 to 2016, with a compound annual growth rate of 2.9%. The market is projected to grow from its estimated size of RM5.8 billion as at 2011 to RM6.7 billion in 2016. (Source: Protégé Associates, Malaysia)

For this year, we have expanded our business operations in terms of telecommunication infrastructure, completed an acquisition of Smartbean Systems Sdn Bhd and purchased an industrial property in Glemarie, Selangor which we hope to accommodate our headquarters and warehouses for better management and to accommodate our future operations. Our main objective is to continue to maximise our growth potential and performance in Malaysia while extending the infrastructure business model beyond our existing portfolio. We are optimistic that the demand for telecommunication infrastructure/sites will continue to rise as telecommunication network providers are seeking to increase their quality, coverage area and capacity for their customers, while investing in future generation data networks.

As part of our expansion plans, we have made initial investments for regional expansion in our area of expertise as part of our growth strategy. Outside of Malaysia, we have been actively investing time and resources to expand our regional business on two fronts. Firstly is to broaden our presence in Southeast Asia by penetrating markets in countries such as Vietnam, Myanmar, Indonesia, Philippines and Thailand, in the near future. Secondly, from our initial market and economic assessment across the region, we have selected Myanmar and Indonesia, as the most attractive markets to launch our regional expansion initiative. This is based on the fact that Myanmar mobile phone subsribers is less than 10% penetration rate and Myanmar government has announced to award two additional 2G / 3G license to two international telecoms operators. Whereby, Indonesia operators are in the midst to outsource their operation and maintenance to technology vendors and service providers. With this aspect, OCK has the competitive advantage over the local companies; given our expertise in telecommunication infrastructure and equipment installation to develop and maintain the 3G data networks in these countries.

Our primary focus is on emerging market countries where the telecommunications industry is less mature than Malaysia with respect to its overall network infrastructure and capabilities. We anticipate that we will benefit from both the diversification of our market presence and regional operations as well as an increased exposure to dynamic economies, resulting in further and sustainable long-term growth for our business.

Ooi Chin Khoon
Managing Director

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

OCK Group understands the importance of maintaining a responsible role as a corporate member in the conduct of its business and in fulfilling its corporate and social obligations (“CSR”). OCK is working towards integrating CSR as part of its business activities and in undertaking responsible practices that impact on our society and environment in a positive manner and to instil a culture of social responsibility in all aspects of our business.

THE WORK PLACE

OCK considers its employees as the most important and valuable asset to its business, Hence we want to ensure that our employees are always treated with the utmost respect, dignity and fairness. We believe in fostering a conducive working environment to encourage continuous growth and development of all our employees. OCK employees are provided with regular training to develop their skills, knowledge and in advancing their professional expertise in field of their work. The Group practices an open door policy the workplace to encourage a more supportive and blending working environment for employees and management of all levels.

OUR COMMUNITY

On the 22nd December 2012, over 50 employees volunteered together with our key management members to spend time with hundreds of children and old folks at Ti-Ratana Welfare Home, Desa Petaling, a welfare home close to the Group founder’s heart. During the visit, the children hand-in-hand with our OCK volunteers enjoyed a full day of fun and cheer with performances, magic shows and face-painting. The old folks were more than happy to see the fresh faces of our volunteers and had a good chit-chat about their life experiences. The old folks did not fail in joining the children for the clown performances and magic show as well – who says you can’t have fun when you’re old. The day was deliciously ended with a big feast for all with some of our volunteers reluctantly leaving for the christmas season, the children behind when it was time for them to go.

During the visit OCK also assisted in checking-off some items for the centre’s wish list.

STATEMENT ON CORPORATE GOVERNANCE

The Securities Commission Malaysia had released the latest Malaysian Code on Corporate Governance ("the MCCG 2012") on 29 March 2012. Public listed corporations with financial year ended 31 December 2012 are expected to make their annual statement on corporate governance based on the principles and recommendation of the MCCG 2012. The key focus of the MCCG 2012 is on the strengthening of the board structure and composition. There are 8 principles and 26 recommendations.

The Board of Directors ("the Board") of OCK has reviewed its current practices and proceedings against the principles and recommendation on the MCCG 2012. The result of this review was used as the basis of the Board in reporting its applications of the principles in the MCCG 2012 and the actions the Board would take to strengthen its present governance practices.

Principle 1

Clear Roles and Responsibilities

The objective of this principle is to set out the fundamental structures for effective functioning of the Board.

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains controls of the Company and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall well-being.

The Board has retained for itself decisions in respect of matters significant to the Group's business operations which include the approval of key corporate plans, major business transactions involving either the acquisitions or disposal of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, appointments to the Board and control structure within the Group.

The Board has also delegated certain of its responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee, which operates under approved terms of reference. The Chairman of the relevant Board Committees report to the Board on key issues deliberated by the Board Committees at their respective meetings.

In order to manage the Group's business effectively, the Board meets on a quarterly basis to review the Group's financial and operational results, major investments, report from various Board Committees, related party transactions, strategic decisions and the overall direction of the Group. Additional meetings may be convened when urgent and important decision needs to be taken between the scheduled meetings.

Besides board meetings, the Board also exercises control on matters that require its approval through the circulation of resolutions.

The Company was listed on the ACE Market of Bursa Securities on 17 July 2012 with a composition of eight (8) Board members. Following the demise of its previous Chairman, YBhg Datuk Zawawi Bin Mahmuddin, the Board upon the recommendation of its Nomination Committee has appointed YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman as the new independent director to Chair the Board. Officially, the appointment of YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman was made on 3 January 2013.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The Board met two (2) times during the financial year ended 31 December 2012 and the attendance records of each Director at the Board Meetings is set out below:-

Name of Directors	No. of Meetings Attended
YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman (Chairman, Senior Independent Non-Executive Director) (appointed on 3 January 2013)	N/A
Abdul Halim Bin Abdul Hamid (Deputy Chairman)	2/2
Ooi Chin Khoon (Managing Director)	2/2
Low Hock Keong (Executive Director)	2/2
Chang Tan Chin (Executive Director)	1/2
Chong Wai Yew (Executive Director)	2/2
Fu Lit Fung (Independent Non-Executive Director)	2/2
Lee Yow Fui (Independent Non-Executive Director)	2/2

Prior to each board meeting, members of the Board will be provided with an agenda and a set of board papers containing reports and other relevant information detailing various aspects of the Group's operations and performance to enable them to make informed decisions. The board papers may include financial, strategic and corporate proposals that require the Board's deliberation and approval. The senior management, both external and internal auditors and/or advisers may be invited to attend the board meetings, if required, to provide additional information on the relevant agenda tabled at the board meetings.

The directors in discharging their duties and responsibilities are entitled to have full and unrestricted access to all information and to management on matters relating to the Group's operations. They also have access to the advice and services of the Company Secretary and where necessary, in furtherance of their duties, are entitled to seek independent professional advise at the Company's expenses.

The Company Secretary is responsible to inform the directors on the requirements that must be complied with under the Listing Requirements of the Bursa Securities and any new statutory and regulatory requirements that are relevant to enable the Board to fulfil its role and responsibilities. The Company Secretary also ensure that deliberations at Board and Board Committee meetings are well captured and minuted, and subsequently communicated to the relevant management for necessary action.

Going forward, the Board intends to strengthen its roles and responsibilities by:-

(i) Defining the board schedule of matters of those functions reserved to the Board and delegated to management;
(ii) Implementing whistle blowing policy and procedure to provide employee with a mechanism to monitor the compliance of code of ethics;
(iii) Setting out clearly the code of conduct that stipulates the sound principles to provide guidance to stakeholders on the ethical behaviours to be expected from the Group;
(iv) Defining its business sustainability policy and ensuring its current business decision making process incorporate the elements of Environment, Social and Governance ("ESG") within its value chain in the business processes; and
(v) Formalising the above actions into its board charter and creating a new page on corporate governance in the present corporate website to keep the public and shareholder informed of its progress and status of the above actions.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Principle 2

Strengthening Board Composition

The principle emphasizes the importance of right board composition in bringing value to the board deliberation and transparency of policies and procedures in selection and evaluation of board members.

The present Board, led by a non-independent non-executive Chairman is made up of eight (8) members comprising five (5) Executive Directors and three (3) other Non-Executive Directors, all of whom are independent directors. This is in compliance with the ACE Market Listing Requirements ("AMLR") which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent Directors.

The Executive Directors are responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the Management.

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are deliberated fully and objectively with regard to the long term interest of all stakeholders.

The Independent Non-Executive Directors have declared themselves to be independent from management and free of any relationship which could interfere with the exercise of their independent judgement and objective participation and decision making process of the Board.

Decision of the Board is done collectively without undue influence or dominance by any individual Director or group of Directors.

The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements.

The profile of the Board members are set out in this annual Report on pages 9 to 12.

The MCCG 2012 endorses a formal procedure for appointments to the Board based on the recommendation of a Nomination Committee. As such the Board has established a Nomination Committee who is responsible for reviewing and making recommendation of appointments to the Board based on size of the Board, the mix of skills and experience and other qualities director should bring to the Board. New nomination is assessed and recommended to the full Board for appointment.

When there are changes in the regulatory requirements and retirement of directors, the Board would through the Nomination Committee review the composition of the Board members in order to ensure that the current composition of its Board functions competently.

The present members of the Nomination Committee are as follows:-

Name	Designation	Directorship
YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman	Chairman	Senior Independent Non-Executive Director
Fu Lit Fung	Member	Independent Non-Executive Director
Lee Yow Fui	Member	Independent Non-Executive Director

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The Nomination Committee has conducted its first meeting on 28 August 2012. In this Meeting, the members of the Nomination Committee and its terms of reference were confirmed and endorsed. The Committee has also reviewed the directors' appraisal form and would carry out its first appraisal in Year 2013.

The Board take cognizance of the new requirement under the MCCG 2012 and have amended the term of reference of the Nomination Comittee and its responsibilities to include that of the following :-

(i) To develop criteria to assess independence of directors.
(ii) To review training programs for the Board.
(iii) To facilitate achievement of board gender diversity policies and targets.

The Board has identified YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman as the Senior Independent Non-Executive Director, to whom any queries, feedbacks and concerns with regards to the Company, may be conveyed. YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman is also the Chairman of the Nomination Committee in observance with recommendation 2.1 of the MCCG 2012.

The Remuneration Committee, comprised mainly of non-executive directors, is responsible for reviewing and recommending to the Board, the remuneration frameworks for directors and assists the Company in ensuring that the remuneration of the directors reflects the responsibility and commitment undertaken by the board membership. The Board as a whole determines the remuneration of each director. Directors do not participate in decisions regarding their own remuneration package. Directors' fees are approved by shareholders at the Annual General Meeting.

The present members of the Remuneration Committee are as follows:-

Name	Designation	Directorship
YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman	Chairman	Senior Independent Non-Executive Director
Ooi Chin Khoon	Member	Managing Director
Lee Yow Fui	Member	Independent Non-Executive Director

The Remuneration Committee has conducted its first meeting on 28 August 2012. In this Meeting, the members of the Remuneration Committee and its terms of reference were confirmed and endorsed. The Committee has also established a formal and transparent procedure for the development of Directors' Remuneration Policy.

In general, the component parts of the remuneration for Executive Directors are structured so as to link rewards to corporate and individual performance of the executive directors. The remuneration of the Executive Director includes salaries and other emoluments, bonus, fees and benefits in kind.

The level of remuneration for the Independent Non-Executive Directors, reflects the experience and level of responsibilities undertaken by the particular Independent Non-Executive concerned. Currently the Non-Executive Directors are paid Director's fees and attendance allowance for Board/General Meetings they attended.

The Remuneration Committee will carry out its assessment on the remuneration packages of the Directors in Year 2013.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The number of Directors whose income falls within the following band is set out as follows:-

Remuneration Bands	Executive Directors	Non-Executive
RM300,000 and below	2	3
RM300,001 – RM400,000	2	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	1	-

The aggregate remuneration paid or payable to all Directors of the Company are further categorised into the following components:-

	Salaries and other emoluments (RM)	Bonuses (RM)	Benefit-in-kind (RM)	EPF and SOCSO (RM)	Total (RM)
Executive Directors	1,265,258	83,393	100,075	162,570	1,611,296
Non-Executive Directors	40,500	-	-	-	40,500

Principle 3

Enforcement of Independence

Independence is important for ensuring objectivity and fairness in board's decision making. The roles and responsibilities of the Chairman and Managing Director are clearly distinct for effective balance of power and authority.

YBhg Dato' Syed Norulzaman bin Syed Kamarulzaman, the Senior Independent Non-Executive Chairman presides over the Meeting of the Board and is primarily responsible for ensuring Board's effectiveness and conduct. The Managing Director is responsible for the daily management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board for its consideration and approval, where required.

Going forward, in order to uphold independence of the independent directors, the Board has adopted the following recommendations of the MCCG 2012 as Board's policies:-

(i) Subject to board's justification and shareholders' approval, tenure of independent directors should not exceed a cumulative term of nine (9) years; and
(ii) Board to undertake annual assessment of its independent directors focusing on events that would affect the ability of independent directors to continue bringing independent and objective judgement to board deliberations and the regulatory definition of independent directors.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Principle 4

Foster Commitment

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skillsets.

The Board is satisfied with the level and time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

In accordance to the AMLR, effective from 1 June 2013, the directorships in public listed Company allowed to be held by a director of a listed issuer is reduce from 10 to 5. In order to further strengthen the directors' commitment, the Board has set forth that each member of the Board shall not hold more than three (3) executive directorships in public listed companies.

The Board further acknowledges that continuous education is essential to broaden their perspectives and to keep abreast with the developments in the business environment as well as with any new regulatory and statutory requirements so as to maximise their effectiveness in the Board.

Directors were also kept informed of the latest regulatory developments by the Company Secretary and new accounting standards issued by International Accounting Standards Board by the External and Internal Auditors. All the Directors who served during the financial year ended 31 December 2012, have also attended the briefing conducted by the Company Secretary on The Malaysian Code on Corporate Governance 2012.

Name of Directors	Training Attended
YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Abdul Halim Bin Abdul Hamid	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Ooi Chin Khoon	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Low Hock Keong	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Chang Tan Chin	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Chong Wai Yew	i) Mandatory Accreditation Programme for directors of Public Listed Companies
Fu Lit Fung	i) Mandatory Accreditation Programme for directors of Public Listed Companies ii) Sustainability Training for Directors and Practitioner
Lee Yow Fui	i) Mandatory Accreditation Programme for directors of Public Listed Companies ii) Workshop on real property gain tax iii) Criminal tax investigation and anti money laundering iv) Budget 2013 highlights on tax changes and its implications on business

The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge. The Nomination Committee would assist the Board to undertake an assessment of the training needs of each director in Year 2013.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Principle 5

Uphold of Integrity in Financial Reporting

The Board is committed to present a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, the Management's review of operations and the accompanying financial results. The Group also presents its financial results on a quarterly basis via public announcements. The quarterly results are reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

The Board is assisted by the Audit Committee in reviewing the appropriateness of accounting policies applied by the Group as well as the changes in these policies.

The Audit Committee has the responsibility to ensure the Group's financial statements comply with applicable financial reporting standards. In order to do so, the Audit Committee has obtained written assurance from:-

(i) External auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

(iii) Chief Financial Officer confirming that the preparation of the financial statements, all relevant approved accounting standards and policies have been adopted, applied and followed in the financial statement with reasonable prudent judgement and estimates.

Annually, the Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the Annual General Meeting of the Company. The Audit Committee would convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

The Audit Committee comprises three (3) Independent Non-Executive Directors. The composition of the Committee, its terms of reference, attendance record and its activities are set out in the Audit Committee Report on pages 30 to pages 32 of this Annual Report.

Principle 6

Risk Recognition and Management

The Board acknowledge that risk management is an integral part of good management practice. Risk is inherent in all business activities. But, it is not the Group's objective to eliminate risk totally. Instead, it is to provide structural means to identify, prioritize and manage the risks involved in all the Group's activities and to balance between the cost of managing and treating risks, and the anticipated benefits that will be derided.

Further details of the Group's system of risk management and internal control are reported in the Statement of Risk Management and Internal Control on pages 33 to 35 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Principle 7

Timely and High Quality Disclosure

The Board is advised by the Management, the Company Secretary and the External and Internal Auditors on the contents and timing of disclosure requirements of the AMLR on the financial results and various announcements. The Management is invited to attend the Board and Audit Committee meetings and to provide explanations and feedbacks to the Board on the operations of the Group.

Corporate disclosure and information are important for investors and shareholders. The Board would leverage on its corporate website to communicate, disseminate and add depth to the governance reporting. Going forward and pursuant to Para 9.25 of the AMLR, those principal and static governance information such as charter, board committees' terms of reference, policies and codes would be separately published in the website to avoid dilution of issues in the annual report.

Principle 8

Exercise of Shareholders' Rights

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders. The Annual Report together with the Notice of AGM is sent to shareholders within the prescribed period as allowed under the Company's Memorandum and Articles of Association and the AMLR, as the case may be.

At the AGM, the shareholders are given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of the Company and of the Group. The Board and the senior management as well as the External Auditors of the Company are present to answer and provide appropriate clarifications at the meeting.

In order to encourage shareholders participation in the general meetings, the Board would:

i. Take into consideration of the traffic condition, public, festive and school holidays, accessibility and parking facilities in selecting the location for conducting shareholders meetings;
ii. Obtain the mobile numbers and email addresses of those shareholders who wish to receive general meeting reminders; and
iii. Conduct thirty minutes pre-AGM social reception for shareholders and to have selected senior management personnel engage with shareholders for mutual understanding of expectations and concerns and for appreciation of the quality of the management by the shareholders.

Normally, a press conference will be held after the AGM to advise the media on the resolutions passed by shareholders, answer questions on the Group's activities and plans in the course of providing all shareholders with the latest update of the Company.

The Articles of Association of the Company does not limit the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for multiple beneficial owners in one securities account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Articles of Association of the Company further entitles a member to vote in person, by corporate representative, by proxy or by attorney both on a show of hands and on a poll as if they were a member of the Company. The Articles of Association of the Company have expressed provisions to disallow any restriction on a proxy's qualification and accord proxies the same rights as members to speak at general meetings of the Company.

The Board recognises that effective 1 June 2013, poll voting is mandated for related party transactions that require specific shareholders' approval. Shareholders will be reminded that they have the right to demand a poll vote at general meetings.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors' dated 16 April 2013.

AUDIT COMMITTEE REPORT

1. COMPOSITION

YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman
Chairman
(Senior Independent Non-Executive Director, Appointed on 3 January 2013)

(YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman was appointed as the Independent Non-Executive Director of the Company on 3 January 2013. The Board has identified and appointed him as the Senior Independent Non-Executive Director, on 16 April 2013)

Fu Lit Fung	Member (Independent Non-Executive Director, Appointed on 8 June 2012)
Lee Yow Fui	Member (Independent Non-Executive Director, Appointed on 8 June 2012)
Datuk Zawawi Bin Mahmuddin	Former Chairman (Independent Non-Executive Director Appointed on 8 June 2012 Demised on 12 November 2012)

2. TERMS OF REFERENCE

• MEMBERSHIP

The Committee shall be appointed by the Board of Directors from amongst the Independent Directors excluding Alternate Directors; which fulfils the following requirements:

i. The Audit Committee shall compose of at least three (3) members;
ii. The majority of the Audit Committee must be an independent director;
iii. The Chairman of the Audit Committee shall be an independent director;
iv. All members of the Audit Committee should be non-executive directors;
v. All members of the Audit Committee should be financially literate and at least one of the members of the Committee must:

a. be a member of the Malaysian Institute of Accountants ("MIA"); or

b. have at least three (3) years working experience and
   - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
   - must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; and

c. fulfill such other requirements as prescribed by Bursa Securities.

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy not later than three (3) months.

AUDIT COMMITTEE REPORT (CONT'D)

• AUTHORITY

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

i. Have explicit authority to investigate any matter within its terms of reference;
ii. Have the resources which are required to perform its duties;
iii. Have full and unrestricted access to any information pertaining to the Company;
iv. Have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
v. Be able to obtain independent/ external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
vi. Be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of the executive members of the Company, whenever deemed necessary.

• DUTIES & FUNCTIONS

The Audit Committee shall review and report to the Board on the following key matters:

i. To review the appointment, resignation, conduct and audit plans of the Internal and External Auditors;
ii. To review the assistance given by the employees of the Company to the external auditors and the internal auditors;
iii. To review the quarterly results and year end financial statements, prior to the approval by the Board;
iv. To review any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
v. To review and report to the board of the state of the systems of internal control of the Group.
vi. To review the adequacy of the scope, functions, competency and resources of the internal audit function, and the internal audit programme and results of the internal audit process to ensure that appropriate actions are taken on the recommendations of the internal audit function.

• MEETINGS

i. The Committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.
ii. The quorum of the meeting is two (2) who shall be Independent Non-Executive Directors.
iii. Upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider matters which should be brought to the attention of the directors or shareholders.
iv. The external auditors and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.
v. The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.
vi. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

AUDIT COMMITTEE REPORT (CONT'D)

- **SECRETARY**

  The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.

3. AUDIT COMMITTEE MEETINGS ATTENDANCE

Subsequent to the listing on the stock exchange in July 2012, the Audit Committee conducted two (2) meetings and these meetings were attended by all its members in office.

4. ACTIVITIES OF THE AUDIT COMMITTEE

The principal activities undertaken by the Audit Committee during the financial period were summarized as follows:

(a) Reviewed and endorsed its terms of reference;
(b) Reviewed the quarterly financial results, cash flows and financial positions for each financial quarter prior to submission to the Board for consideration and approval for announcement to the public;
(c) Reviewed the external auditors' plan for the year ended 31 December 2012;
(d) Reviewed the progress of internal audit plan;
(e) Reviewed of related party transactions; and
(f) Reported to the Board on matters addressed at the Audit Committee meetings.

5. INTERNAL AUDIT FUNCTION

The AMLR provides that a listed company must establish an internal audit function which is independent of the activities it audits and reports directly to the Audit Committee.

The Group had established an internal audit function which is outsourced to an internal audit services company. The primary responsibility of this internal audit function is to assist the Board and the Audit Committee in reviewing the management internal control procedures and providing recommendations to strengthen the internal control systems.

Before commencement of audit reviews for each term, an audit plan is produced and presented to the Audit Committee for approval. This ensures that the audit direction is in line with the Audit Committee's expectations. During the financial year, the Internal Auditors has conducted a broad assessment on SWOT analysis. The issues identified in this analysis were presented to the management and the Audit Committee .

The total cost incurred during the current financial year for the internal audit function is RM12,500 (2011:Nil)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the AMLR, the Board of Directors of OCK is pleased to provide the following statement on the state of internal control and risk management of the the Group. In producing this Statement, the Board has considered and was guided by the latest "Statement on Risk Management and Internal Control – Guideline for Directors of Listed Issuers ("Guideline") issued by the Task Force on Internal Control with the support and endorsement of the Exchange.

BOARD RESPONSIBILITIES

The Board acknowledges that risk management is an integral part of corporate governance and believes that its focus on effective risk oversight is critical to set the right tone and culture towards effective risk management and internal control.

Principally, the responsibilities of the Board as provided in the Guideline, for the governance of risk and controls include:

- Embedding risk management in all aspects of the company's activities;
- Approving the board's acceptable risk appetite; and
- Reviewing the risk management framework, processes, responsibilities and assessing whether they provide reasonable assurance that risks are managed within tolerable ranges.

Though risk is inherent in all business activities, it is not the Group's objective to eliminate risk entirely. Instead, the Board wants a structural mean to be established by the management within the Group to identify, prioritize and manage risks involved in the Group's activities and to balance the cost of managing and treating risks, and the anticipated benefits that will be derived from. Towards this end, the Board together with the management of the Group would take continuous measures to improve and effectively embed risk management into the organisation culture in order to ensure that its new risk management processes and implementation are capable to achieve the following objectives:

i. Management is proactive in predicting and detecting changes faster and more prepared to face risks than their competitors;
ii. Staff members appreciate the impact of their jobs to their organisation;
iii. Developing a unique business model that ensure sustainability and minimise dependency;
iv. Minimization of probability, impact and oversight of risks; and
v. Improvement in ethic, quality and efficiency in operations

RISK MANAGEMENT AND INTERNAL CONTROL

As it is, the Group's risk management is primarily driven by all Executive Directors and executed by the management. The Executive Directors and management identify, evaluate and manage significant risks facing the organisation in its business and operations. Regular management meetings, involving the members of the key management were held within the Group. This meeting is a platform for the top executive to ensure various information required are feedback timely for making informed business decision, business operations are progressed in accordance with the objectives and targets and sharing of information amongst the various departments and subsidiaries for further actions.

When formulating business strategy, the Board would give due regard to risk appetite. Risk appetite is a dynamic issue and it varies over time. Therefore, when assessing any business deals and ventures and before making its decisions, the Board considers the rewards and returns of these deals and ventures to shareholders and its current Group's human, financial, technology and knowledge capabilities and timing to manage the risk effectively at a particular point of time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Presently, the five (5) critical focus of risk management of the Group are:

i. Expansion and diversification of business and market share;
ii. Maintaining its standard of quality of its engineering services and installation works as turnkey contractor;
iii. Execution and completion of on-going projects in meeting deadlines and clients' requirements;
iv. Managing internal and operational costs; and
v. Maintaining good business relationships with telecommunication operators, partners and equipment vendors.

In term of the key control systems, the Group has defined management organization chart outlining the management responsibilities and hierarchical structure of reporting lines and accountability and established practices for approval and authority limits of the top executives and heads of department. Other aspects of key control in the Group are:

i. Pre-evaluation of suppliers or sub-contractors or consultants before concluding supply or service;
ii. Post-evaluation of suppliers or sub-contractors to ensure timely delivery of materials and/or services to prevent the risk of delay in handing over of projects;
iii. Insurances covering fire insurance, burglary insurance, machine and equipment insurance, tender/performance bond insurance, contractor all risk insurance, workmen's compensation insurance and personal accident insurance to protect the assets and/or interests of the Group;
iv. Safety and security measures to prevent theft, burglary and fire,
v. Regular customers' survey to enhance services and product's quality provided to customers;
vi. Verifications, reconciliation, review of operating performance and segregation of duties in the management functions of the Group; and
vii. Implementation of ISO Quality Management System for the project management processes to ensure compliance with customers' security and safety requirements and minimization of hazard risks during installation.

THE REVIEW MECHANISM

Presently, the independent review of the systems of internal control is undertaken by the Board through the Audit Committee. The Audit Committee solicits feedback on the adequacy of risk management and internal control from the internal auditors. The internal audit function is currently outsourced, is responsible to assess the effectiveness of the governance, risk management and internal control frameworks and facilitates enhancement, where appropriate.

Besides reviewing the systems of internal control, the Audit Committee also reviews the financial information and reports produced by the management. In this case, the Audit Committee in consultation with the management deliberates the integrity of the financial results, annual report and audited financial statements and solicits feedback from external auditors on risks and controls related to the financial statements before and after the completion of annual statutory financial audit.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

The responsibilities of managementin respect of risk management as provided in the Guideline include:

- Identify risks relevant to the business of the Group and the achievement of objectives and strategies;
- Design, implement and monitor the risk management actions in accordance with the Group's strategic objective and risk appetite; and
- Identify changes to risk or emerging risks, take actions as appropriate and report these to the attention of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Periodically, management should report to the Board:

- The business risks that have impacted or likely to impact the Group and its achievement of its objectives and strategies; and
- The effectiveness of the risk management and internal control system in managing risks.

In this regard, the Board has received assurance from the Managing Director and Chief Financial Officer ("CFO") that the company's risk management and internal control system is operating adequately and effectively, in all material aspects.

Board Assurance and Limitation

For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectivesand there were no material losses resulted from significant control problem that would require separate disclosure in the Annual Report. Nonetheless, the Board recognises that systems of internal control and risk management should be continuously improved in line with the evolving business development. It should also be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

Review of Statement on Risk Management And Internal Control by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report for the year ended 31December 2012 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of internal control of the Group.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit attributable to:		
Owners of the Company	13,148,135	1,862,652
Non-controlling interests	806,248	-
	13,954,383	1,862,652

DIVIDENDS

During the financial year, the Company paid an interim tax exempt (single tier) dividend of 0.5 sen, on 259,000,000 ordinary shares amounting to RM1,295,000/- in respect of the current financial year.

At the forthcoming Annual General Meeting, a final single tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2012 on 259,000,000 ordinary shares, amounting to dividends payable of RM1,295,000/- will be proposed for shareholders' approval. The financial statements for the current financial year will not reflect the proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2013.

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

AT THE VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liabilities in respect of the Group and of the Company that have arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)

CONTINGENT AND OTHER LIABILITIES (Continued)

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had increased its:-

(i) authorised share capital from RM100,000 to RM50,000,000/- by the creation of an additional 499,000,000 ordinary shares of RM0.10/- each; and

(ii) issued and paid-up share capital from RM2/- to RM25,900,000/- by way of:-

a. the issuance of 183,999,980 of ordinary shares of RM0.10/- each for the acquisition of the entire interest in OCK Setia Engineering Sdn. Bhd. ; and

b. the issuance of 75,000,000 of ordinary shares of RM0.10/- each been initial public offering.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:-

Dato' Syed Norulzaman Bin Syed Kamarulzaman	- Appointed on 3 January 2013
Abdul Halim Bin Abdul Hamid	
Ooi Chin Khoon	
Low Hock Keong	
Chang Tan Chin	
Chong Wai Yew	
Fu Lit Fung	- Appointed on 8 June 2012
Lee Yow Fui	- Appointed on 8 June 2012
Datuk Zawawi Bin Mahmuddin	- Appointed on 8 June 2012; Demised on 12 November 2012
Chow Kim Meng	- Resigned on 9 June 2012
Wee Chek Aik	- Resigned on 9 June 2012

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 31 December 2012 are as follows:-

	Number of ordinary shares of RM0.10/- each				
Name of director	At 1.1.2012	Bought	Via acquisition of subsidiary	Sold	At 31.12.2012
The Company					
Direct interest					
Wee Chek Aik	10	-	-	10	-
Chow Kim Meng	10	-	-	10	-
Low Hock Keong	-	-	7,360,000	-	7,360,000
Chang Tan Chin	-	-	5,520,000	-	5,520,000
Chong Wai Yew	-	-	5,520,000	-	5,520,000
Indirect interest					
Abdul Halim Bin Abdul Hamid*	-	20	165,599,980	-	165,600,000
Ooi Chin Khoon*	-	630,020	165,599,980	-	166,230,000

DIRECTORS' REPORT (CONT'D)

Name of director			Number of ordinary shares of RM0.10/- each		
	At 1.1.2012	Bought	Via acquisition of subsidiary	Sold	At 31.12.2012
The ultimate holding company					
Indirect interest					
Aliran Armada Sdn. Bhd.					
Abdul Halim Bin Abdul Hamid	1,200,000	-	-	-	1,200,000
Ooi Chin Khoon	600,000	-	-	-	600,000

* Deemed interest by virtue of section 6A of the Companies Act, 1965 in Malaysia.

Other than as stated above, the other directors in office at the end of the financial year had no interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

Significant events during and after the financial year are disclosed in Note 33 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors of the Company regard Aliran Armada Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

…………………………………………..
OOI CHIN KHOON
Director

…………………………………………..
ABDUL HALIM BIN ABDUL HAMID
Director

Date: 25 APRIL 2013

STATEMENT BY DIRECTORS

We, **OOI CHIN KHOON** and **ABDUL HALIM BIN ABDUL HAMID**, being two of the directors of **OCK GROUP BERHAD**, do hereby state that in the opinion of the directors, the financial statements set out on pages 48 to 111 are properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 112 has been prepared in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

....
OOI CHIN KHOON
Director

....
ABDUL HALIM BIN ABDUL HAMID
Director

Date: 25 April 2013

STATUTORY DECLARATION

I, **OOI CHIN KHOON**, being the director primarily responsible for the financial management of **OCK GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 48 to 111 and the supplementary information set out on page 112 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....
OOI CHIN KHOON

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 25 April 2013.

Before me,

....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **OCK GROUP BERHAD**, which comprise the statements of financial position as at 31 December 2012 of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year ended 31 December 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 48 to 111.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibility

The supplementary information set out on page 112 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Other Matters

1. As stated in Note 2 to the financial statements, OCK Group Berhad adopted the Malaysian Reporting Standards on 1 January 2012 with a transition date from date of incorporation of the Company. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and date of incorporation of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial period ended 31 December 2011 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as at 31 December 2012 and the financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965, in Malaysia, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ng Boon Hiang
No.2916/03/14(J)
Chartered Accountant

Kuala Lumpur

Date: 25 April 2013

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

		Group	Company	
		31.12.2012	31.12.2012	31.12.2011
	Note	RM	RM	RM
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	35,254,721	-	-
Investment in subsidiaries	5	-	18,399,998	-
Total Non-Current Assets		35,254,721	18,399,998	-
Current Assets				
Inventories	6	13,102,804	-	-
Trade and other receivables	7	60,131,291	16,437,574	-
Amounts due from customers for contract works	8	1,928,789	-	-
Deposits placed with licensed banks	9	7,130,505	464,807	-
Cash and bank balances	10	11,473,384	8,335,234	2
Total Current Assets		93,766,773	25,237,615	2
TOTAL ASSETS		129,021,494	43,637,613	2
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	11	25,900,000	25,900,000	2
Share premium	12	17,691,945	17,691,945	-
Foreign currency translation reserve	13	(14,630)	-	-
Revaluation reserve	14	3,349,543	-	-
Reserve arising from reverse acquisition	15	(17,007,122)	-	-
Retained earnings/(accummulated losses)		25,898,100	(39,472)	(607,124)
		55,817,836	43,552,473	(607,122)
Non-controlling interests		2,078,183	-	-
Total Equity		57,896,019	43,552,473	(607,122)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012 (CONT'D)

	Note	Group 31.12.2012 RM	Company 31.12.2012 RM	31.12.2011 RM
Non-Current Liabilities				
Loans and borrowings	16	17,965,210	-	-
Deferred tax liabilities	19	437,884	-	-
Total Non-Current Liabilities		18,403,094	-	-
Current Liabilities				
Amounts due to customers for contract works	8	190,096	-	-
Trade and other payables	20	24,178,575	47,827	607,124
Loans and borrowings	16	25,283,653	-	-
Tax payables		3,070,057	37,313	-
Total Current Liabilities		52,722,381	85,140	607,124
Total Liabilities		71,125,475	85,140	607,124
TOTAL EQUITY AND LIABILITIES		129,021,494	43,637,613	2

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2012

	Note	Group 1.1.2012 to 31.12.2012 RM	Company 1.1.2012 to 31.12.2012 RM	Company 5.8.2011 to 31.12.2011 RM
Revenue	21	138,602,217	1,900,001	-
Cost of sales	22	(103,137,650)	-	-
Gross profit		35,464,567	1,900,001	-
Other income		1,441,988	158,353	-
Administrative expenses		(15,602,327)	(158,389)	(607,124)
Operating profits/(loss)		21,304,228	1,899,965	(607,124)
Finance costs	23	(2,261,061)	-	-
Profit/(loss) before taxation	24	19,043,167	1,899,965	(607,124)
Taxation	25	(5,088,784)	(37,313)	-
Net profit/(loss) for the financial year/period		13,954,383	1,862,652	(607,124)
Other comprehensive income:				
Realisation of revaluation reserve		69,976	-	-
Income tax relating to components of other comprehensive income	25	3,510	-	-
Foreign currency translation		(10,015)	-	-
Other comprehensive income, net of tax		63,471	-	-
Total comprehensive income/(loss) for the financial year/period		14,017,854	1,862,652	(607,124)
Profit/(loss) attributable to:				
Owners of the Company		13,148,135	1,862,652	(607,124)
Non-controlling interests		806,248	-	-
		13,954,383	1,862,652	(607,124)
Total comprehensive income/(loss) attributable to:				
Owners of the Company		13,211,606	1,862,652	(607,124)
Non-controlling interests		806,248	-	-
		14,017,854	1,862,652	(607,124)
Earning Per Share (Sen)	26	5.1		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to owners of the Company								
		Non-distributable				Distributable			
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Translation Reserve RM	Reserve arising from the Reverse Acquisition RM	Retained Earnings RM	Total RM	Non-controlling Interest RM	Total Equity RM
Group									
At 1 January 2012	2	-	-	-	-	(607,124)	(607,122)	-	(607,122)
				-					
Arising from the acquisition of OCKSE	18,399,998	-	3,419,519	(4,615)	(17,007,122)	14,578,603	19,386,383	1,137,362	20,523,745
Acquisition of subsidiaries	-	-	-	-	-	-	-	134,573	134,573
Issuance of shares - initial public offering	7,500,000	19,500,000	-	-	-	-	27,000,000	-	27,000,000
Listing expenses	-	(1,808,055)	-	-	-	-	(1,808,055)	-	(1,808,055)
Dividends (Note 27)	-	-	-	(69,976)	-	(1,295,000)	(1,295,000)	-	(1,295,000)
Realisation of revaluation reserve	-	-	-	-	-	73,486	3,510	-	3,510
Foreign currency translation	-	-	-	(10,015)	-	-	(10,015)	-	(10,015)
Total comprehensive income for the financial year	-	-	-	-	-	13,148,135	(13,148,135)	806,248	13,954,383
At 31 December 2012	25,900,000	17,691,945	3,349,543	(14,630)	(17,007,122)	25,898,100	55,817,836	2,078,183	57,896,019

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Attributable to owners of the Company			
	Non-distributable		Distributable	
	Share Capital	Share Premium	Retained Earnings/ (Accummulated losses)	Total
	RM	RM	RM	RM
Company				
At 5 August 2011 (date of incorporation)	2	-	-	2
Total comprehensive loss for the financial period	-	-	(607,124)	(607,124)
At 31 December 2011	2	-	(607,124)	(607,122)
Issuance of shares				
- acquisition of subsidiaries	18,399,998	-	-	18,399,998
- initial public offering	7,500,000	19,500,000	-	27,000,000
Listing expenses	-	(1,808,055)	-	(1,808,055)
Dividends (Note 27)	-	-	(1,295,000)	(1,295,000)
Total comprehensive income for the financial year	-	-	1,862,652	1,862,652
At 31 December 2012	25,900,000	17,691,945	(39,472)	43,552,473

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group	Company	
	1.1.2012 to 31.12.2012	1.1.2012 to 31.12.2012	5.8.2011 to 31.12.2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before taxation	19,043,167	1,899,965	(607,124)
Adjustments for :			
Gain on disposal of property, plant and equipment	(1,133)	-	-
Depreciation on disposal of property, plant and equipment	1,393,177	-	-
Dividend income	-	(1,900,001)	-
Goodwill written off	12,936	-	-
Unrealised gain on foreign currency exchange	(50,015)	-	-
Interest income	(299,589)	(158,353)	-
Interest expenses	2,261,061	-	-
	22,359,604	(158,389)	(607,124)
Changes In Working Capital:			
Inventories	(4,242,890)	-	-
Receivables	(29,931,169)	(1,000)	-
Payables	7,090,158	(559,297)	4,000
Amount due from/to customers for contract works	(214,585)	-	-
	(4,938,882)	(718,686)	(603,124)
Tax paid	(3,445,576)	-	-
Tax refund	8,225	-	-
Interests received	299,589	158,353	-
Interests paid	(146,029)	-	-
Net Operating Cash Flows	(8,222,673)	(560,333)	(603,124)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of property, plant and equipment	2,600	-	-
Purchase of property, plant and equipment (Note A)	(6,572,035)	-	-
Net cash inflow from reverse acquisition (Note B)	2	-	-
Net cash outflow on acquisition of a subsidiary (Note C)	(29.622)	-	-
Net Investing Cash Flows	(6,599,055)	-	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Group	Company	
	1.1.2012 to 31.12.2012	1.1.2012 to 31.12.2012	5.8.2011 to 31.12.2011
CASH FLOWS FROM FINANCING ACTIVITES:			
Interests paid	(2,115,032)	-	-
Dividend paid	(1,295,000)	(1,295,000)	-
Dividend income received from a subsidiary	-	1,900,001	-
Deposits held for security values	(6,665,699)	-	-
Advance from subsidiaries	-	(16,436,574)	603,124
Listing expenses	(1,808,055)	(1,808,055)	-
Net proceeds from issuance of ordinary shares	27,000,000	27,000,000	-
Net proceeds from issuance of ordinary shares to non-controlling interest	24,500	-	-
Repayment to hire purchase payables	(841,242)	-	-
Drawdown of term loans	36,185,689	-	-
Repayment to term loans	(34,718,994)	-	-
Net Financing Cash Flows	15,766,167	9,360,372	603,124
NET CHANGE IN CASH AND CASH EQUIVALENTS	944,439	8,800,039	-
Effect of exchange rate changes in cash and cash equivalents	(10,609)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF INCORPORATION	11,004,360	2	2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	11,938,190	8,800,041	2
ANALYSIS OF CASH AND CASH EQUIVALENTS:			
Cash and bank balances	11,473,384	8,335,234	2
Deposits placed with licensed banks	7,130,505	464,807	-
	18,603,889	8,800,041	2
Less: Deposits held as security values	(6,665,699)	-	-
	11,938,190	8,800,041	2

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 1.1.2012 to 31.12.2012 RM
Purchase of property, plant and equipment	21,713,962
Financed by hire purchase arrangements	(841,927)
Financed by term loan arrangements	(14,300,000)
Cash payments on purchase of property, plant and equipment	6,572,035

B. EFFECTS ON REVERSE ACQUISITION

Group

Effects on acquisition of an OCK Setia Engineering Sdn. Bhd. ("OCKSE") under reverse acquisition accounting:-

On 31 October 2011, the Company had entered into a conditional shares sale agreement to acquire the entire equity interest in OCKSE of RM2,000,002/- comprising 2,000,002 ordinary shares of RM1/- each for a total purchase consideration of RM18,399,998/- to be satisfied by the issuance of 183,999,980 of ordinary shares at an issue price of RM0.10/- each. The said acquisition was completed on 8 June 2012 and OCKSE become a wholly-owned subsidiary company of the Company.

	Group 31.12.2012 RM
Cash and bank balances	2
Trade and other payables	(607,124)
Net identifiable liabilities	(607,122)
Reverse acquisition reserve	17,007,122
Issued equity of OCKSE	2,000,002
	18,400,002
Less:	
Portion discharged by issuance of 183,999,980 ordinary shares at RM0.10/- each	(18,399,998)
	4
Less: Cash and cash equivalents	(2)
Cash inflow from reverse acquisition	2

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

C. EFFECTS ON ACQUISITION OF SUBSIDIARIES

Group

(i) **Effects on acquisition of Smartbean Systems Sdn. Bhd.-**

On 23 October 2012, OCKSE had acquired 51% of the issued and paid up capital of Smartbean Systems Sdn, Bhd. The subsidiary was acquired through a total cash consideration of RM127,500/-.

	Group 31.12.2012 RM
Property, plant and equipment	61,325
Inventories	859
Trade and other receivables	110,722
Cash and bank balances	97,878
Trade and other payables	(48,147)
Tax payables	2,000
Non-controlling interest	(110,073)
Net identifiable assets	114,564
Goodwill written off	12,936
Total purchase consideration	127,500
Less: Cash and cash equivalent of Smartbean	(97,878)
Cash outflow on acquisition	29,622

On 6 December 2012, the Company had further subscribed additional 25,500 of new ordinary shares of RM1/- each for a total cash consideration of RM25,500/- in the Smartbean Systems Sdn. Bhd..

(ii) Effects on acquisition of Fotress Pte. Ltd.

On 4 October 2012, OCKSE had subscribed additional 499,990 of new ordinary shares of SGD0.20 each for a total cash consideration of SGD99,998 (RM248,815/-) in the Fortress Pte. Ltd..

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at 11 & 13 Jalan Puteri 2/6, Bandar Puteri Puchong, 47100 Puchong, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia (“RM”).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3.

The financial statements of the Group and of the Company for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 ‘First-time adoption of MFRSs’.

The statement of financial position of the Company as at the beginning of the earliest comparative period is disclosed in Note 35 to the financial statements.

This is the Group’s first set of consolidated financial statements.

The Company was incorporated on 5 August 2011. The financial statements of the Company were prepared in accordance with the Financial Reporting Standards (“FRSs”) in Malaysia in the previous financial period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int

(a) Explanation of Transition to MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the Malaysian Accounting Standards Board ("MASB") had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are not the Transitioning Entities have adopted the MFRSs framework including MFRS 1 First-time adoption of MFRSs for the current financial year ended 31 December 2012.

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company have consistently applied the same accounting policies in its opening MFRSs statement of financial position as at 1 January 2011 (date of transition) and throughout all years presented, as if these policies had always been in effect.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(a) Explanation of Transition to MFRSs (Continued)

As at 31 December 2011, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs.

The adoption of the MFRSs for the current financial year did not result in any changes in accounting policies and material adjustments to the Group's and the Company's statements of financial position, statements of comprehensive income and statements of cash flows which are reported in accordance with the previous FRSs.

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
Revised MFRSs		
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
MFRS 7	Financial Instruments: Disclosures	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
MFRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
MFRS 116	Property, Plant and Equipment	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
MFRS 134	Interim Financial Reporting	1 January 2013
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

A brief discussion on the above significant new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

MFRS 9 Financial Instruments

MFRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former MFRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised)

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and requires the entity to account for such investments either at cost, or in accordance with MFRS 9.

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

MFRS 11 Joint Arrangements

MFRS 11 supersedes the former MFRS 131 Interests in Joint Ventures. Under MFRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for it using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this MFRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

MFRS 128 Investments in Associates and Joint Ventures (Revised)

This revised MFRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised MFRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

Amendments to MFRS10, MFRS12 and MFRS127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements.

2.3 Significant Accounting Policies

The accounting policies set out below applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company, unless otherwise stated.

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The financial statements of the parent and its subsidiaries are all drawn up to the same reporting date.

The financial statements of the subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in the Note 2.3(b) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Intra-group transactions, balances and resulting unrealised gains on transactions within the Group are eliminated in full on consolidation. Unrealised losses resulting from intra-group transactions are also eliminated on consolidation unless costs cannot be recovered. When necessary, adjustments are made to the financial statements of the subsidiaries to ensure consistency of accounting policies with those adopted by the Group.

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Company, directly or indirectly through subsidiary. It is measured at the non-controlling interest holders' share of the fair values of the subsidiary's identifiable assets and liabilities at the acquisition date and the non-controlling interest holders' share of changes in the subsidiary's equity since that date.

Any loss applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

In accordance with FRS 127, Consolidated and Separate Financial Statements (revised), upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interests. Any difference between the Group's share of net assets before and after the change and any consideration received or paid is adjusted to or against Group reserve.

(b) Goodwill

i. Acquisition before 1st January 2011

Goodwill arising on acquisition represents the excess of cost of business combination over the Group's share of the net fair values of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is stated at cost less impairment losses, if any.

Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary. Gain or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arise.

Negative goodwill represents the excess of the fair value of the Group's share of net assets acquired over the cost of acquisition. Negative goodwill is recognised directly in profit or loss.

ii. Acquisition on or after 1st January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(b) Goodwill (Continued)

ii. Acquisition on or after 1st January 2011 (Continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(c) Subsidiaries

Subsidiaries are entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h) to the financial statements. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h).

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Property, Plant and Equipment and Depreciation (Continued)

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Property, plant and equipment are depreciated on the straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Freehold building	2%
Leasehold land and building	2%
Furniture and fittings	10%
Computers and software	33 1/3%
Office equipment	10% to 20%
Motor vehicles	20%
Renovation	10%
Engineering equipment	20%
Network facilities	4%

No depreciation is provided on freehold land as it has indefinite useful life.

Capital work-in-progress is not depreciated as these assets are not ready for its intended use.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Property, Plant and Equipment and Depreciation (Continued)

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

(e) Construction Contracts

Construction works are stated at cost plus attributable profits less progress billings. Cost comprises direct labour, material costs, sub-contract sum and an allocated proportion of directly related overheads. Administrative and general expenses are charged to the profit or loss as and when incurred.

When the outcome of a construction contract can be reliably estimated, contract revenue are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Costs incurred in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Provision is made for all anticipated losses on construction work. Provision for warranties is made for expected/estimated repair costs for making good certain defects and damages during the warranty periods.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers for contract works. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers for contract works.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of raw material comprise the purchase price plus costs in bringing this inventory to their present location and condition. Cost is determined on the average cost basis.

Work-in-progress includes the cost of raw materials, direct labour and appropriate portion of fixed and variable overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(g) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near future.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains and losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(g) Financial Assets (Continued)

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loan and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Company and the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(g) Financial Assets (Continued)

(iv) Available-for-sale financial assets (Continued)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases or sales of financial assets are derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset.

(h) Impairment of Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(h) Impairment of Assets (Continued)

(i) Trade and other receivables and other financial assets carried at amortised cost (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Impairment of Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows cash-generating units ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to first to reduce the carrying amount of any goodwill allocated to those units or groups of the units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(h) Impairment of Assets (Continued)

(ii) Impairment of Non-Financial Assets (Continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(i) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resulted gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(i) Financial Liabilities (Continued)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(j) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(k) Leases

(i) Finance leases

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rates are used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(l) Contingent Liabilities

A contingent liability is a possible obligation that arises from past event and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) Taxation

(i) Current tax

The tax expense in the statements of comprehensive income represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and current tax liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(n) Revenue Recognition

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Revenue from telecommunication network services

Revenue is recognised upon services rendered and customer's acceptance.

(ii) Revenue from contract works

Revenue from contract works is recognised on the percentage of completion method as described in Note 2.3(e).

(iii) Sales of goods

Revenue is recognised upon delivery of products and customer's acceptance.

(iv) Other income

Interest income is recognised on an accruals basis.

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

(o) Borrowing Costs

Borrowing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(p) Employee Benefits

(i) Short term employee benefits

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave and maternity leave are recognised when absences occur.

(ii) Post-employment benefits

The Group and the Company contribute to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(q) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair values are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(q) Foreign Currencies (Continued)

(ii) Foreign currency transactions (Continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair values are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(q) Foreign Currencies (Continued)

(iii) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognized in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

(r) Equity Instruments

Ordinary shares are recorded at the nominal value. The consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Costs incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is recognised in profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(s) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and fixed deposits placed with licensed banks that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, net of fixed deposits pledged with licensed banks and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the director and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical judgements made in applying the Group's accounting policies

There were no significant judgements made by management in the process of applying the accounting policies of the Group and of the Company which may have significant effect on the amount recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of investment in subsidiaries and recoverability of amount due from subsidiaries

The Company tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. Costs of investments in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries. The impairment made on investment in subsidiaries entails an allowance for doubtful debts to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

Impairment of property, plant and equipment

The Group assesses impairment of assets whenever the events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Key sources of estimation uncertainty (Continued)

Useful lives of property, plant and equipment

The Group estimated the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in these factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

Allowance for inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Construction contracts

The Group recognises contract revenue from its fixed price contracts based on the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. The stage of completion method requires the Group to estimate the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue including variation orders and contract claims and contract costs. In making the estimates, the Group relies on past experience, the use of engineering tools and the work of specialists.

Any variation to the final contract sum and the estimated cost to completion will have a corresponding effect on the contract profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Key sources of estimation uncertainty (Continued)

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business.

Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group 31.12.2012	Freehold land and building	Leasehold land and building	Furniture and fittings	Computer and software	Office equipment	Motor vehicles	Renovation	Engineering equipment	Network Facilities	Capital work in progress	Total
	At Valuation		At Cost								
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost / Valuation											
At 1 January 2012	-	-	-	-	-	-	-	-	-	-	-
Additions	14,300,000	-	12,054	248,259	54,656	931,084	3,673	305,723	2,236,978	3,621,535	21,713,962
Disposals	-	-	-	(2,400)	-	-	-	-	-	-	(2,400)
Arising from reverse acquisition	7,840,000	3,790,000	222,390	1,157,425	701,778	3,117,712	79,838	1,549,656	-	-	18,458,799
Acquisition of subsidiaries	-	-	-	7,200	-	-	-	56,174	-	-	63,374
At 31 December 2012	22,140,000	3,790,000	234,444	1,410,484	756,434	4,048,796	83,511	1,911,553	2,236,978	3,621,535	40,233,735
Accumulated Depreciation											
At 1 January 2012	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the financial year	181,593	63,343	24,989	237,217	74,504	443,966	8,137	352,375	7,053	-	1,393,177
Disposals	-	-	-	(933)	-	-	-	-	-	-	(933)
Arising from reverse acquisition	26,134	10,557	78,472	854,996	235,853	2,044,118	26,459	308,726	-	-	3,585,315
Acquisition of subsidiaries	-	-	-	513	-	-	-	1,536	-	-	2,049
Foreign exchange translation adjustment	-	-	(278)	(316)	-	-	-	-	-	-	(594)
At 31 December 2012	207,727	73,900	103,183	1,091,477	310,357	2,488,084	34,596	662,637	7,053	-	4,979,014
Carrying value as at 31 December 2012	21,932,273	3,716,100	131,261	319,007	446,077	1,560,712	48,915	1,248,916	2,229,925	3,621,535	35,254,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Included in property, plant and equipment of the Group are assets acquired under hire purchase instalment plans with the following carrying amounts:-

	Group 31.12.2012 RM
Equipments	772,215
Motor vehicles	1,502,467
	2,274,682

(b) Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the subsidiaries with the following carrying amounts:-

	Group 31.12.2012 RM
Freehold land and building	21,932,273
Leasehold land and building	3,716,100
	25,648,373

(c) In year 2011, land and buildings have been revalued based on valuations performed by accredited independent valuers. The valuations are based on the comparison and cost method that makes reference to comparable properties were transacted within reasonable time frame, close proximity and similar nature of properties.

If the freehold and leasehold land and building were measured using the cost model, the carrying amount would be as follows:-

	Group 31.12.2012 RM
Freehold land and building	
Cost	6,200,000
Accumulated depreciation	(703,727)
Net carrying value	5,496,273
Leasehold land and building	
Cost	1,545,160
Accumulated depreciation	(45,797)
Net carrying value	1,499,363

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	31.12.2012	31.12.2011
	RM	RM
Unquoted shares, at cost	18,399,998	-

The Company's equity interest in the subsidiaries, country of incorporation and its principal activities are as follows:-

Name of subsidiaries	Country of Incorporation	Effective Equity interest held 2012 %	2011 %	Principal activities
Direct subsidiary:-				
OCK Setia Engineering Sdn. Bhd. ("OCKSE") *	Malaysia	100	-	Engaged in the provision of turnkey telecommunications network services.
Subsidiaries of OCKSE:-				
OCK M & E Sdn. Bhd. ("OCKME")	Malaysia	100	-	Provision of mechanical and electrical engineering services.
Delicom Sdn. Bhd. ("Delicom")	Malaysia	100	-	Provision of telecommunications network services focusing on network deployment services.
Fortress Pte. Ltd. ("Fortress") #	Singapore	100	-	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support.
Firatel Sdn. Bhd. ("Firatel") @	Malaysia	61	-	Trading of telecommunications network equipment and materials.
EI Power Technologies Sdn. Bhd. ("EIPT")	Malaysia	52	-	Provision of green energy and power solutions.
Steadcom Sdn. Bhd. ("Steadcom")	Malaysia	51	-	Provision of telecommunications network services, primarily focusing on network planning, design and optimisation.
Smartbean Systems Sdn. Bhd. ("Smartbean")^	Malaysia	51	-	Engaged in supplying test and measurement equipments, software solution, information communications technology equipments, fiber network components and providing for the potential customers in the relevant area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiaries	Country of Incorporation	Effective Equity interest held 2012 %	2011 %	Principal activities
Subsidiaries of Fortress:-				
Fortress Distribution Sdn. Bhd. ("Fortress Distribution")	Malaysia	100	-	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support.

2012

* On 31 October 2011, the Company had entered into a conditional shares sale agreement to acquire the entire equity interest in OCKSE of RM2,000,002/- comprising 2,000,002 ordinary shares of RM1/- each for a total purchase consideration of RM18,399,998/- to be satisfied by the issuance of 183,999,980 of ordinary shares at an issue price of RM0.10/- each. The said acquisition was completed on 8 June 2012 and OCKSE become a wholly-owned subsidiary company of the Company.

@ On 1 November 2012, the indirect subsidiary, Firatel Sdn. Bhd. had increased its issued and paid capital from RM100,000/- to RM300,000/- by way of issuance of 200,000 ordinary shares of RM1/- each by way of bonus issue.

On 4 October 2012, the indirect subsidiary, Fortress Pte. Ltd. had increased its issued and paid up capital from SGD2/- to SGD100,000/- by way of issuance of SGD99,998/- ordinary shares of SGD1/- each by way of allotment of shares for additional working capital purposes.

The subsidiary was audited by auditor other than Baker Tilly Monteiro Heng, the subsidiary was audited by Baker Tilly TFW LLP.

^ On 23 October 2012, OCKSE had acquired 127,500 ordinary share of RM1.00/- each representing 51% equity interest in the share capital of Smartbean Sdn. Bhd. ("Smartbean"), for a total cash consideration of RM127,500/-.

On 6 December 2012, Smartbean had increased its issued and paid up capital from RM250,000/- to RM300,000/- by way of issuance of RM50,000/- ordinary shares of RM1/- each by way of allotment of shares for additional working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

6. INVENTORIES

	Group 31.12.2012 RM
Raw materials	2,375,153
Work-in-progress	10,326,013
Finished goods	401,638
	13,102,804

7. TRADE AND OTHER RECEIVABLES

	Group	Company	
	31.12.2012 RM	31.12.2012 RM	31.12.2011 RM
Trade receivables	49,186,696	-	-
Retention sum	1,573,845	-	-
Less: Allowance for impairment	(268,846)	-	-
Total trade receivables	50,491,695	-	-
Other receivables	1,737,683	-	-
Advances to a sub contractor	4,650,098	-	-
Deposits	416,127	1,000	-
Prepayments	2,835,688	-	-
Amount due from subsidiaries	-	16,436,574	-
Total trade and other receivables	60,131,291	16,437,574	-

Group

Trade receivables are non-interest bearing and the Group's normal trade credit terms ranges from 30 to 90 days except for the top 2 customers who are granted credit terms of 150 days. Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

The foreign currency exposure profile of the trade receivables are as follows:-

	Group 31.12.2012 RM
Singapore Dollar	143,889
United States Dollar	2,998,431
Ringgit Malaysia	47,349,375
	50,491,695

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

7. TRADE AND OTHER RECEIVABLES (Continued)

Group

The ageing analysis of the Group's trade receivables are as follows:-

	Group 31.12.2012 RM
Neither past due nor impaired	47,304,937
1 to 30 days past due not impaired	1,759,737
31 to 60 days past due not impaired	338,282
61 to 90 days past due not impaired	780,934
91 to 120 days past due not impaired	55,174
More than 121 days past due not impaired	252,631
	3,186,758
Impaired	268,846
	50,760,541

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

At the reporting date, the Group have trade receivables amounting to RM3,186,758/- that are past due but not impaired.

Trade receivables that were past due but not impaired relate to customers that have good track records with the Group. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment is as follow:

	Group 31.12.2012 RM
Individually impaired	
Trade receivables - normal amounts	268, 846
Less: Allowance for impairment	(268,846)
	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

7. TRADE AND OTHER RECEIVABLES (Continued)

Group

Advances to a sub-contractor

The advances to a sub-contractor is unsecured, interest free and repayable on demand.

Company

Amount due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

8. AMOUNT DUE FROM/ (TO) CUSTOMERS FOR CONTRACT WORKS

	Group 31.12.2012 RM
Aggregate costs incurred to date	12,874,502
Recognised profit less recognised losses	3,193,231
	16,067,733
Progress billings	(14,329,040)
Net amount from/(to) customer for contract works	1,738,693
Amount due from customers for contract works included in current assets	1,928,789
Amount due to customers for contract works included in current liabilities	(190,096)
	1,738,693
Construction contract costs recognised as contract expenses during the financial year	7,675,439
Construction contract revenue recognised as contract revenue during the financial year	9,538,566

9. DEPOSITS PLACED WITH LICENSED BANKS

Group

Deposits placed with licensed banks amounting of RM6,665,699/- of the Group are pledged to the banks for banking facilities granted to the Group.

The deposits placed with licensed banks earn interests at the rates ranging from 2.60% to 3.20% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

10. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances are as follow:-

	Group 31.12.2012 RM	Company 31.12.2012 RM	Company 31.12.2011 RM
Singapore Dollar	97.997	-	-
United States Dollar	40,913	-	-
Ringgit Malaysia	11,334,474	8,335,234	2
	11,473,384	8,335,234	2

11. SHARE CAPITAL

	Group and Company			
	2012		2011	
	Number of Shares	RM	Number of Shares	RM
Ordinary shares RM0.10/- each:-				
Authorised				
At the beginning of the financial year/period	1,000,000	100,000	1,000,000	100,000
Created during the financial year/period	499,000,000	49,900,000	-	-
At the end of the financial year/period	500,000,000	50,000,000	1,000,000	100,000
Issued and fully paid:-				
At the beginning of the financial year/period	20	2	20	2
Issued for acquisition of subsidiary	183,999,980	18,399,998	-	-
Issued during the financial year/period	75,000,000	7,500,000	-	-
At the end of the financial year/period	259,000,000	25,900,000	20	2

12. SHARE PREMIUM

	Group and Company 31.12.2012 RM
At the beginning of the financial year	-
Issurance of shares	19.500,000
Listing expenses	(1,808,055)
At the end of the financial year	17,691,945

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

13. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

14. REVALUATION RESERVE

	Group 31.12.2012 RM
At the beginning of the financial year	-
Arising from acquisition of subsidiary	3,419,519
Less: Realisation of reserve	(69,976)
At the end of the financial year	3,349,543

The asset revaluation reserve represents increases in fair value of freehold and leasehold land and buildings, net of tax.

15. RESERVE ARISING FROM REVERSE ACQUISITION

	Group 31.12.2012 RM
Total issued equity of the Company for the acquisition	18,399,998
Less:	
Issued equity of the subsidiary acquired	(2,000,002)
Pre-acquisition reserve	607,126
Reverse acquisition reserve	17,007,122

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

16. LOAN AND BORROWINGS

	Group 31.12.2012 RM
Current	
Short term borrowings	
- Bankers' acceptance	52,559
- Trust receipts	4,358,440
- Revolving projects loan	19,325,734
Hire purchase payables (Note 17)	712,365
Term loans - secured (Note 18)	834,555
	25,283,653
Non-current	
Hire purchase payables (Note 17)	949,803
Term loans - secured (Note 18)	17,015,407
	17,965,210
Total loan and borrowings	43,248,863

Bankers' acceptance and trust receipts are secured by a third party charge over a property of a director. The trust receipts bear interest ranges from 0.75% to 2.00% above the bank's base lending rate. The bankers' acceptance bears interest ranges from 0.75% to 1.75% per annum acceptance commission.

The Group has revolving project loans amounted to RM40 million. An amount of RM20 million has expired on 28 January 2013 and extended to 31 March 2014.

The revolving project loan is secured by the following:-

a) All monies debenture incorporating fixed and floating charge over all present and future assets and undertaking of a subsidiary;
b) Assignment of all contract proceeds arising from a contract of a subsidiary;
c) Assignment of all contract proceeds and receivables of a subsidiary to be received from a frame agreement for provision of services of a subsidiary;
d) Fixed deposits of the subsidiary of RM5,900,000/- and interest accrued thereon; and
e) Joint and severally guarantee for the whole facility from certain directors, namely Ooi Chin Khoon and Abdul Halim Bin Abdul Hamid.
f) Deed of Assignment of all contract proceeds/receivables for the contracts/transactions financed by the bank.

The revolving project loan bears interest at the rates ranging from 7% to 8% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

17. HIRE PURCHASE PAYABLES

	Group 31.12.2012 RM
Future minimum hire purchase payments	
- not later than one year	774,132
- later than one year but not later than five years	1,024,262
	1,798,394
Less: Future finance charges	(136,226)
	1,662,168
Represented by :	
Current liabilities (Note 16)	
- not later than one year	712,365
Non-current liabilities (Note 16)	
- later than one year but not later than five years	949,803
	1,662,168

The hire purchase payables bear interests at the rates ranging from 3.33% to 6.44% per annum.

18. TERMS LOANS - SECURED

	Group 31.12.2012 RM
Current liabilities	
- within the next twelve months	834,555
Non-current liabilities	
- later than one year but not later than five years	3,797,241
- more than five years	13,218,166
	17,015,407
Total bank loans - secured	17,849,962

Term loans are secured by legal charges on the Group's properties, the leasehold land and building of a subsidiary, corporate guarantee by the Company and jointly and severally guaranteed by the directors.

The term loans bear interest at the rate ranging from 4.30% to 4.75% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

19. DEFERRED TAX LIABILITIES

	Group 31.12.2012 RM
Deferred Tax Liabilities	
At the beginning of the financial year	-
Acquisition of subsidiaries	339,264
Recognised in statements of comprehensive income	
- current year	228,374
- over accrual in prior year	(126,244)
Transferred to revaluation reserves	(3,510)
At the end of the financial year	437,884
Representing the tax effect of:	
Temporary differences between net book values and corresponding tax written down values	276,772
Revaluation surplus on properties	161,112
	437,884

20. TRADE AND OTHER PAYABLES

	Group	Company	
	31.12.2012 RM	31.12.2012 RM	31.12.2011 RM
Current			
Trade payables	17,349,276	-	-
Retention sum	392,45	-	-
Total trade payables	17,741,728	-	-
Other payables	58,280	14,827	-
Accruals	5,611,686	33,000	4,000
Deposits	276,829	-	-
Amount due to directors of subsidiaries	490,052	-	-
Amount due to subsidiaries	-	-	603,124
	6,436,847	47,827	607,124
Total trade and other payables	24,178,575	47,827	607,124

Group

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 60 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

20. TRADE AND OTHER PAYABLES (Continued)

Group

The currency exposure profile of the trade payables are as follows:-

	Group 31.12.2012 RM
Singapore Dollar	2,223,966
US Dollar	501,167
Ringgit Malaysia	15,016,595
	17,741,728

Amount due to directors of subsidiaries
The amount due to directors is non-trade in nature, unsecured, interest free and repayable on demand.

Company

Amount due to subsidiary
In year 2011, the amount due to subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

21. REVENUE

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Telecommunication network services	98,587,051	-	-
Green energy and power solutions	18,798,700	-	-
Sales of goods	11,677,900	-	-
Contract income	9,538,566	-	-
Dividend income	-	1,900,001	-
	138,602,217	1,900,001	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

22. COST OF SALES

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Telecommunication network costs	69,092,462	-	-
Green energy and power solutions costs	17,155,784	-	-
Costs of good sold	9,213,965	-	-
Contract costs	7,675,439	-	-
	103,137,650	-	-

23. FINANCE COSTS

	Group 1.1.2012 to 31.12.2012 RM
Bank overdrafts	146,029
Trade financing costs	289,110
Hire purchase payables	84,294
Term loans - secured	191,382
Revolving project loan	1,545,562
Others	4,684
	2,261,061

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

24. PROFIT/ (LOSS) BEFORE TAXATION

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
After charging:-			
Audit fee	157,530	30,000	1,500
Depreciation	1,393,177	-	-
Directors' remuneration			
Salaries, allowance and bonuses	1,753,405	7,000	-
Other emoluments	215,723	-	-
Fees	36,000	36,000	-
Goodwill written off	12,936	-	-
Loss on foreign exchange rate (realised)	30,907	706	-
Loss on foreign exchange rate (unrealised)	7,036	-	-
Rental of premises	548,340	-	-
Rental of vehicles	119,245	-	-
Staff costs			
Salaries, allowance and bonus	9,190,451	-	-
Employees Provident Fund and SOCSO	1,227,755	-	-
Other staff costs	434,482	-	-
and crediting:-			
Dividend income	-	1,900,001	-
Interest income	299,589	158,353	-
Gain on disposal of property, plant and equipment	1,133	-	-
Gain on exchange rate (realised)	77,907	-	-
Gain on exchange rate (unrealised)	57,051	-	-
Rental income	761,484	-	-
Rental income (equipment)	116,580	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

25. TAXATION

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Income tax			
- Current financial year	(4,900,846)	(37,313)	-
- Overaccrual in prior financial year/period	(85,808)	-	-
Deferred tax			
- Current financial year	(228,374)	-	-
- Underaccrual in prior financial year/period	126,244	-	-
	(5,088,784)	(37,313)	-
Deferred income tax related to other comprehensive income			
- Surplus on revaluation of land and building	3,510	-	-

Income tax is calculated at the statutory rate of 25% (2011: 25%) of the estimated taxable profit/(loss) for the financial year/period.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Profit/(loss) before taxation	19,043,167	1,899,965	(607,124)
Taxation at applicable statutory tax rate of 25%	(4,760,792)	(474,991)	151,781
Tax effects arising from			
- non-deductible expenses	(382,678)	(37,322)	(151,781)
- non-taxable income	14,250	475,000	-
Over provision of tax in prior year/period	40,436	-	-
Tax expense for the financial year/period	(5,088,784)	(37,313)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

26. EARNING PER SHARE

Basis earning per share amounts are calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issued during the financial year.

	Group 31.12.2012
Profit attributable to owners of the Company ("RM")	13,148,135
Weighted average number of ordinary shares in issued ("Number")	259,000,000
Basis earnings per share (Sen)	5.1

27. DIVIDENDS

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Dividends in respect of the current financial year ended 31 December 2012 - interim single-tier dividend of 0.5 sen per ordinary share	1,295,000	1,295,000	-

At the forthcoming Annual General Meeting, a final single tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2012 on 259,000,000 ordinary shares, amounting to dividends payable of RM1,295,000/- will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2013.

28. CONTINGENT LIABILITIES

	Group	Company	
	31.12.2012 RM	31.12.2012 RM	31.12.2011 RM
Corporate guarantees given by the Company to secure credit facilities granted to direct subsidiary, OCKSE	-	25,690,000	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the Company or that has an interest in the Company that gives it significant influence over the Company's financial operating policies. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in the Company resides with, directly or indirectly.

The Group and the Company has related party relationship with its holding companies, significant investor, subsidiaries and associates, Directors and key management personnel.

In addition, the Group also has related party relationship with:-

Related Parties	Relationship
Modern Net Sdn. Bhd.	A company in which the director of subsidiary has interest
PLY Technology	A sole proprietorship owned by a director of a subsidiary

(b) Significant Related Party Transactions

In the normal course of business, the Group and the Company undertake transactions with some of its related parties listed above.
Significant related party transactions in the financial statements are as follows:-

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Subsidiary			
OCK Setia Engineering Sdn. Bhd.			
Dividend income	-	1,900,001	-
Related Parties			
Modern Net Sdn. Bhd.			
Rental income	139,820	-	-
Purchases	101,164	-	-
PLY Technology			
Consultancy fees	181,800	-	-
Key Management Personnel			
Office rental expense			
Ooi Chin Khoon	263,568	-	-
Quek Meu San	19,200	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Significant Related Party Transactions (Continued)

In addition to the above, the Group also transact with a former related party, being a company in which certain director previously have interests. The sales for financial year to the former related party amounted to RM26,887,021/-.

The directors of the Company are of the opinion that all the above transactions have been entered into in the normal course of business.

(c) Key Management Personnel Compensation

Key management personnel are defined as those persons other than the directors of the Company having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the key management personnel during the financial year is as follows:-

	Group	Company	
	1.1.2012 to 31.12.2012 RM	1.1.2012 to 31.12.2012 RM	5.8.2011 to 31.12.2011 RM
Directors			
Salaries, allowance and bonuses	1,753,405	7,000	-
Other emoluments	215,723	-	-
Fees	36,000	36,000	-
	2,005,128	43,000	-
Other key management personnel			
- short term employee benefits	1,060,464	-	-
- post employment benefits:			
- defined contribution plan	127,440	-	-
- benefits-in-kind	16,133	-	-
	1,204,037	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

30. SEGMENTAL INFORMATION

(a) General information

The Group has five reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Telecommunication Network Services;
(ii) Green Energy & Power Solutions;
(iii) Trading;
(iv) M&E Engineering Services; and
(v) Investment Holding

There are varying level of integration between reportable segments, the Telecommunication Network Services and M&E Engineering Services reportable segments. This integration includes transfer of raw materials and providing engineering services respectively. Inter-segment pricing is determined on negotiated basis.

(b) Measurement of Reportable Segments

Performance is measured based on segment before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment other than current and deferred tax assets.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment other than current and deferred tax liabilities.

Segment liabilities

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

30. SEGMENTAL INFORMATION (Continued)

(b) Measurement of Reportable Segments (Continued)

Group	Telecommunication Network Services RM	Green Energy & Power Solutions RM	Trading RM	M&E Engineering Services RM	Investment Holding RM	Elimination RM	Total Operations RM
31.12.2012							
Revenue							
External sales	98,587,051	18,798,700	11,677,900	9,538,566	-	-	138,602,217
Inter-segment sales	6,124,586	979,800	860,276	9,167,375	1,900,001	(19,032,038)	-
	104,711,637	19,778,500	12,538,176	18,705,941	1,900,001	(19,032,038)	138,602,217
Results							
Segment results	26,796,455	2,437,157	2,754,981	2,797,907	1,900,001	(1,221,934)	35,464,567
Unallocated expenses							(14,147,403)
Finance costs	2,106,231	2,068	4,683	73,544	-	74,535	(2,261,061)
Goodwill written off						12,936	(12,936)
Profit before taxation							19,043,167
Taxation							(5,088,784)
Profit after taxation							13,954,383
Assets							
Segment assets	99,455,879	7,497,992	6,354,326	10,014,306	43,637,613	(37,938,622)	129,021,494
Total assets							129,021,494
Liabilities							
Segment liabilities	71,367,642	5,652,188	4,511,139	6,747,627	85,140	(17,238,261)	71,125,475
Total liabilities							71,125,475
Other segment information							
Depreciation							1,393,177

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

30. SEGMENTAL INFORMATION (Continued)

(c) Geographical Segment

The activities of the Group are carried our mainly in Malaysia and as such, segmental reporting by geographical location is not presented.

(d) Information About Major Customers

Major customers' information represents revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer and a government and entities known to the entity to be under the control of the government shall be considered a single customer.

Major customers include revenue from three major customers amounting to RM60,079,026/- arising from Telecommunication Network Services segment.

31. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

The Group and the Company has the following financial assets under the loans and receivables:-

	Group	Company	
	31.12.2012	31.12.2012	31.12.2011
	RM	RM	RM
Financial assets			
Trade and other receivables			
(Excluding deposits and prepayments)	56,879,476	16,436,574	-
Deposits placed with licensed banks	7,130,505	464,807	-
Cash and bank balances	11,473,384	8,335,234	2
	75,483,365	25,236,615	2

The Group and the Company has the following financial liabilities under the financial liabilities at amortised cost:-

	Group	Company	
	31.12.2012	31.12.2012	31.12.2011
	RM	RM	RM
Financial liabilities			
Trade and other payables			
(Excluding deposits and accruals)	18,290,060	14,827	603,124
Loans and borrowings	43,248,863	-	-
	61,538,923	-	603,124

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

31. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values

(i) Recognised Financial Instruments

The fair values of financial assets and financial liabilities of the Group and of the Company approximate their carrying values on the statements of financial position of the Group and of the Company.

(ii) Unrecognised Financial Instruments

There were no unrecognised financial instruments as at 31 December 2012 that are required to be disclosed.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to the credit risk arises primarily from trade and other receivables. For cash and bank balances and deposits with licensed bank, the Group and the Company minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit Risk (Continued)

There is no concentration of credit risk other than the top three trade receivables and advances to a sub-contractor which balance as at reporting date as follow:-

	Group 31.12.2012 RM
Customer A	13,844,434
Customer B	10,210,597
Customer C	2,056,796
Sub-contractor	4,650,098

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM2,180,000/- representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity Risk (Continued)

		Undiscounted cash flow			
	Carrying Amount RM	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
31.12.2012					
Group					
Trade and other payables	24,178,575	24,178,575	-	-	24,178,575
Short term borrowings	23,736,733	23,736,733	-	-	23,736,733
Hire purchase payables	1,662,168	774,132	1,024,262	-	1,798,394
Term loans	17,849,962	834,555	3,797,241	13,218,166	17,849,962
Company					
Trade and other payables	47,827	47,827	-	-	47,827
31.12.2011					
Company					
Trade and other payables	607,124	607,124	-	-	607,124

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies Group entities, primarily United Stated Dollar ("USD") and Singapore Dollar ("SGD") functional currencies. The foreign currencies in which these transactions are denominated are mainly USD and SGD.

Sensitivity analysis

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign exchange rates against the respective functional currencies of the Group's entities. This analysis assumes that all other variables, in particular interest rates, remain constant. Based on the analysis, there is no material impact on the Group's profit net of tax on potential fluctuation of foreign currencies relevant to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments based on carrying amount as at the end of the reporting period was:

	Group 31.12.2012 RM
Fixed rate instruments	
Financial assets	7,130,505
Financial liabilities	(1,662,168)
	5,468,337
Floating rate instruments	
Financial liabilities	41,586,695

Interest rate risk sensitivity analysis

Fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

At the reporting date, if interest rates had been 1% lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM416,000/- higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

(i) On 31 October 2011, the Company had entered into a conditional shares sale agreement to acquire the entire equity interest in OCK Setia Engineering Sdn. Bhd. ("OCKSE"), of RM2,000,002/- comprising 2,000,002 ordinary shares of RM1/- each for a total purchase consideration of RM18,399,998/- to be satisfied by the issuance of 183,999,980 of ordinary shares at an issue price of RM0.10/- each. The said acquisition was completed on 8 June 2012 and OCKSE become a wholly-owned subsidiary company of the Company.

The business combination has been accounted for as a reverse acquisition using the purchase method as in substance OCKSE is the accounting acquirer. Under the reverse acquisition accounting, although legally Company is regarded as the legal parent and OCKSE is regarded as the legal subsidiary company, OCKSE should be identified as the acquirer as it has the power to govern the financial and operating policies of the Company so as to obtain benefits from its activities.

(ii) On 26 December 2012, OCKSE had acquired a piece of freehold land together with a three storey factory from a third party for a total cash consideration of RM14,300,000/-. The said acquisition was financed by the term loans.

(iii) On 25 March 2013, the Company had subscribe for 99 ordinary shares of RM1.00/- each and had subsequently on 28 March 2013 acquired 1 ordinay share of RM1.00/- each in OCK Internatioanl Sdn. Bhd. ("OCKI") for cash at par.

Following the above, OCKI becomes wholly-owned subsidiary of OCK.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

34. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Company's objectives are to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

The capital structure of the Group and of the Company consists of equity attributable to owners of the Company, comprising share capital, reserves and total liabilities.

	Group	Company	
	31.12.2012	31.12.2012	31.12.2011
	RM	RM	RM
Total liabilities	71,125,475	85,140	607,124
Equity attributable to owners of the Company	55,817,836	43,552,473	(607,122)
Debt-to-equity ratio	127%	0.2%	N/A

35. COMPARATIVE FIGURES

Group

No comparatives have been presented for the Group as the current year is the first year where consolidated financial statements are prepared.

Company

The comparative figures of the financial statements of the Company are made up from 5 August 2011 to 31 December 2011.

The first set of financial statements prepared in accordance with the MFRSs that requires the presentation of the statement of financial position as at the beginning of the earliest comparative period are as follows:

	Company
	05.08.2011
	RM
Current assets	2
Cash in hand	2
Total assets	
Equity	
Share Capital	2
Total equity	2

SUPPLEMENTARY INFORMATION

ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of AMLR. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31 December 2012 are as follows:-

	31.12.2012 RM	31.12.2012 RM	31.12.2011 RM
Realised	23,090,286	(39,472)	(607,124)
Unrealised	2,807,814	-	-
	25,898,100	(39,472)	(607,124)

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

As at 31st December 2012, the gross proceeds of RM27,000,000.00 raised from the public issue of 75,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.36 per ordinary shares in the share capital of the Company ("Public Issue") were utilised in the following manner:-

	RM'000
Proceeds from Public Issue	27,000
• Capital Expenditure	4,900
• Operating Expenditure	7,160
• Working Capital	2,030
• Listing Expenses	2,013
	16,103
Balance of unutilised proceeds as at 31st December 2012	**10,897**

2. Share Buy-Back

The Company does not have a scheme to buy back its own shares.

3. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued by the Company during the financial year ended 31 December 2012.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2012.

5. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2012.

6. Non-Audit Fees

Non-audit fees payable to the external auditors amounted to RM8,000.

7. Variation in Results

There were no variances of 10% or more between the results for the financial year ended 31 December 2012 and the unaudited results.

8. Profit Forecast

The Company did not issue any profit forecast for the financial year ended 31 December 2012.

9. Profit Guarantee

The Company did not issue any profit guarantee.

10. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries during the financial year ended 31 December 2012, which involves the interest of Directors and/or major shareholders.

11. Revaluation Policy on Landed Properties

The Company does not have a policy of regular revaluation of landed properties.

LIST OF PROPERTIES

Registered/ Beneficial Owner	Title / Address	Description/ Existing Use	Tenure	Land Area/ Build-up Area (Sq ft)	Audited NBV RM'000	Market Value RM'000	Issurance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia	Title: P.T Nos 629 & 630 held under Title No. H.S.(D) 63627 & 63628 respectively Mukim Damansara State of Selangor Address: No. 79 & 80, Hicom Sector B, Jalan Gadung 27/93A, 40000 Shah Alam Selangor Darul Ehsan	Single (1) Storey detached warehouse annexed with a three(3) storey office building/ Rented to third party	Freehold	55,800/ 35,454	7,657	7,840	20.06.1995
	Title: P.T. No 703 held under Title No. H.S.(D) 194910 Town of Sunway District of Petaling State of Selangor Address: No. 21, Jalan PJS 8/18, Dataran Mentari, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan	Three (3) storey terrace intermediate shop office/First and second floors rented to third party whilst ground floor remains unoccupied Three (3) Storey Factory/ rented to third partly	99 years lease expiring 6.11.2012	1,765/ 5,280	1,905	1,950	18.08.2008
	Title: P.T No 84, held Under title No. 215172, Lot No. 61777 (formerly known as HS(D) No. 225932, PT No.84, Bandar Glenmarie, District of Petaling State of Selangor Address: No. 18, Jalan Jurunilai U1/20, HICOM Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan		Freehold	46,016/ 46,857	14,275	14,300	25.11.1995

Note:-

* *Based on the latest valuation conducted iin conjunction with the listing of OCK on the ACE Market of Bursa Securities save for PT No. 84 held under title No. HSCD 225932 of which valuation was conducted in October 2012*

LIST OF PROPERTIES (CONT'D)

Registered/ Beneficial Owner	Title / Address	Description/ Existing Use	Tenure	Land Area/ Build-Up Area (Sq ft)	Audited NBV RM'000	Market Value RM'000	Issurance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK M&E	Title: P.T. No. 41553 held under Title No. H.S.(M) 19182, Mukim Dengkil, District of Sepang, State of Selangor Address: No. 6, Jalan PTP 1/1 Taman Perindustrian Tasik Perdana @ Puchong, 47120 Puchong, Selangor Darul Ehsan	One and a half storey (1 ½) semi-detached factory/ Unoccupied	99 years lease expiring 24.11.2107	8,125/ 4,043	1,811	1,840	21.09.2011

ANALYSIS OF SHAREHOLDINGS

AS AT 19 APRIL 2013

Authorised Share Capital	:	RM50,000,000
Issued and Fully paid-up Share Capital	:	RM25,900,000
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One vote per shareholder on a show of hands or one vote per ordinary share on poll
Number of Shareholders	:	835

ANALYSIS BY SIZE OF HOLDINGS

Size Of Holdings	No Of Shareholders/ depositors	Holder Percentage	No Of Shares/ securities	Holding Percentage
1 - 99	2	0.26	100	0.00
100 - 1,000	110	13.18	90,500	0.03
1,001 - 10,000	360	43.11	2,348,300	0.91
10,001 - 100,000	289	34.61	9,933,200	3.84
100,001 - 12,949,999	73	8.74	81,027,900	31.28
12,950,000 AND ABOVE	1	0.12	165,600,000	63.94
TOTAL	835	100.00	259,000,000	100.00

Substantial Shareholders

As per the Register of Substantial Shareholders as at 19 April 2013

	Shareholdings		
Name	Direct	Indirect	%
Aliran Armada Sdn. Bhd.	165,600,000	-	63.94
Ooi Chin Khoon	-	166,230,000*	64.18
Abdul Halim Bin Abdul Hamid	-	165,600,000*	63.94

* *Deemed interest by virtue of section 6A of the Companies Act, 1965.*

Directors' Interests in Shares

As per the Register of Directors' Shareholdings as at 19 April 2013

	Shareholdings			
Name	Direct	%	Indirect	%
Dato' Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Abdul Halim Bin Abdul Hamid	-	-	165,600,000*	63.94
Ooi Chin Khoon	-	-	166,230,000*	64.18
Low Hock Keong	7,360,000	2.84	-	-
Chang Tan Chin	5,520,000	2.13	-	-
Chong Wai Yew	5,520,000	2.13	-	-
Lee Yow Fui	-	-	-	-
Fu Lit Fung	-	-	-	-

Notes:-

* *Deemed interested by virtue of their interest / substantial shareholdings in Aliran Armada Sdn Bhd pursuant to Section 6A of the Companies Act, 1965*

ANALYSIS OF SHAREHOLDINGS

AS AT 19 APRIL 2013 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

No	Name	No. of Shares Held	%
1.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Aliran Armada Sdn Bhd	165,600,000	63.94
2.	He Swee Hong	11,055,000	4.27
3.	Index Tiara Sdn Bhd	11,000,000	4.25
4.	Low Hock Keong	7,360,000	2.84
5.	Prosurge Asia Sdn Bhd	6,919,300	2.67
6.	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd	6,539,300	2.53
7.	Chang Tan Chin	5,520,000	2.13
8.	Chong Wai Yew	5,520,000	2.13
9.	Lee Mei Siang	3,000,000	1.16
10.	Yew Ah Kow	2,378,000	0.92
11.	Siew Wei Foo	1,600,700	0.62
12.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wealthy Equity Sdn Bhd	1,293,900	0.45
13.	Lim Kok Tong	1,190,000	0.46
14.	Tan Chin Tiong	1,141,600	0.44
15.	Quek Meu San	1,134,000	0.44
16.	Seow Foong Thean	892,900	0.35
17.	Toh Chew Yie	861,600	0.34
18.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Christina Loh Yoke Lin	700,000	0.27
19.	Low Kim Meng	670,000	0.26
20.	Lin Tsui-ying	660,000	0.25
21.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Cheng Wah	630,000	0.24
22.	Chong Siew Thiam	600,000	0.23
23.	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	467,600	0.18
24.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Yew Beng (E-sja)	420,000	0.16
25.	Chok Bee Lian	395,000	0.15
26.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lam Chee Teck (Penang-cl)	329,500	0.13
27.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Saw Lee Leng	317,000	0.12
28.	Foo Min Lee	290,000	0.11
29.	Tee Kok Chuan	265,000	0.10
30.	Siew Wei Foo	258,200	0.09
	Total	239,008,600	92.28

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of **OCK GROUP BERHAD** (Company No.: 955915-M) will be held at Langkawi 1, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil 57000, Kuala Lumpur on Monday, 27 May 2013 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon — ***Please refer to Note 1***

2. To approve the payment of a final single tier dividend of RM0.005 per ordinary share of RM0.10 each for the financial year ended 31 December 2012. — ***Resolution 1***

3. To approve the payment of Directors' fees for the financial year ended 31 December 2012. — ***Resolution 2***

4. To re-elect the following Directors who retire by rotation pursuant to Article 99 of the Company's Articles of Association:-

   a) Encik Abdul Halim Bin Abdul Hamid

   b) Mr. Ooi Chin Khoon — ***Resolution 3***

5. To re-elect YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman, who retires by rotation pursuant to Article 105 of the Company's Articles of Association. — ***Resolution 4***

6. To re-appoint Messrs. Baker Tilly Monteiro Heng as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — ***Resolution 5***

SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolution:-

7. **ORDINARY RESOLUTION** — ***Resolution 6***
   - **Authority for Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965**

   "**THAT** pursuant to Section 132D of the Companies Act, 1965 and subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

ANY OTHER BUSINESS:-

8. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF FINAL SINGLE TIER DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders of the Company, a final single tier dividend of RM0.005 per ordinary share of RM0.10 each in the Company in respect of the financial year ended 31 December 2012, will be paid on 10 July 2013 to Depositors whose names appear in the Record of Depositors at the close of business on 11 June 2013.

A depositor shall qualify for entitlement to dividend in respect of:-

a. Shares transferred to the depositor's Securities Account before 4.00 p.m. on 11 June 2013 in respect of ordinary transfers; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
Company Secretary

Kuala Lumpur
Date: 3 May 2013

Notes:

1. *Item 1 of the Notice is meant for discussion only as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements and hence, is not put forward for voting.*

2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting. Subject to Note 5 below, where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provision of Section 149(1) (a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*

4. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed 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 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

5. *Where a member of the Company is an exempt authorized 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 authorized 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 20 May 2013 (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.*

7. *Explanatory Notes on Special Business*
   Resolution 7 pursuant to Section 132D of the Companies Act, 1965

   The Ordinary Resolution proposed under item 7, if passed will give the Directors of the Company from the date of the above Meeting, authority to allot and issue ordinary shares for the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

   The Company did not issue any share pursuant to a mandate granted to the Directors at the last Annual General Meeting held on 29 June 2012.

   The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

STATEMENT ACCOMPANYING NOTICE

OF THE SECOND ANNUAL GENERAL MEETING

1. The Directors who are standing for re-election at the Second Annual General Meeting of OCK Group Berhad are as follows:

    i. Encik Abdul Halim Bin Abdul Hamid
    ii. Mr. Ooi Chin Khoon
    iii. YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman

    The profiles of the Directors who are standing for re-election is set out on pages 9 to 12 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2012 are disclosed in the Corporate Governance Statement set out on pages 22 to 29 of this Annual Report.

3. The details of the Second Annual General Meeting are as follows:

Date of Meeting	Time of Meeting	Place of Meeting
Monday, 27 May 2013	10.00 a.m	Langkawi 1, Bukit Jalil Golf & Country Resort Jalan Jalil Perkasa 3 Bukit Jalil 57000, Kuala Lumpur

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Proxy Form

OCK GROUP BERHAD
(955915-M)

*I/We, ______________________________ ______________________
(FULL NAME IN BLOCK LETTERS) (I/C No.)

of ______________________________
(ADDRESS)

being a member(s) of OCK GROUP BERHAD, hereby appoint ______________________________
(FULL NAME)

of ______________________________
(ADDRESS)

or failing him/her, ______________________________
(FULL NAME)

of ______________________________
(ADDRESS)

or failing him/her, the Chairman of the Meeting as *my/our proxy(ies) to vote for *me/us on *my/our behalf at the Second Annual 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 Monday, 27 May 2013 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.)

Resolution		For	Against
Ordinary Business			
1.	To approve a final single tier dividend of RM 0.005 per ordinary share		
2.	To approve the payment of Directors' fee for the financial year ended 31 December 2012.		
3.	Re-election of Director – Encik Abdul Halim Bin Abdul Hamid		
4.	Re-election of Director – Mr. Ooi Chin Khoon		
5.	Re-election of Director – YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman		
6	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
Special Business			
7.	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965		

Dated this ____________________ day of ____________________ 2013

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

____
Signature/Seal of Shareholder
[* Delete if not applicable]

For appointment of two proxies, percentage of shareholding to be represented by the proxies:-		
	No. of Share	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

1. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting. Subject to Note 4 below, where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provision of Section 149(1) (a) and (b) of the Companies Act, 1965 shall not apply to the Company.*
2. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*
3. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed 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 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
4. *Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.*
5. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 May 2013 (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.*

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AFFIX
STAMP

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

FOLD HERE