

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 30-Sep-14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30-Sep-13 RM'000	CURRENT PERIOD TO DATE ENDED 30-Sep-14 RM'000	PRECEDING PERIOD TO DATE ENDED 30-Sep-13 RM'000
Revenue	47,931	40,102	127,966	104,062
Cost of sales	(37,208)	(30,412)	(96,930)	(78,166)
Gross profit	10,723	9,690	31,036	25,896
Other income	714	573	1,417	1,718
Administrative expenses	(5,012)	(4,198)	(12,496)	(11,856)
Operating profit	6,425	6,066	19,957	15,759
Depreciation expenses	(1,148)	(469)	(3,058)	(1,331)
Finance costs	(854)	(654)	(3,360)	(2,099)
Profit before tax	4,423	4,942	13,539	12,328
Taxation	(772)	(918)	(3,055)	(2,766)
Profit for the financial period	3,651	4,024	10,484	9,562
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	-	-	-	-
Total comprehensive income for the financial period	3,651	4,024	10,484	9,562
Total comprehensive income attributable to the:				
Owners of the company	3,014	3,570	9,052	8,355
Non-controlling interests	639	454	1,432	1,207
	3,653	4,024	10,484	9,562

Notes:

- (1) The Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2014 should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	UNAUDITED As at 30-Sep-14 RM RM'000	AUDITED As at 31-Dec-13 RM RM'000
ASSETS		
Non-Current Assets		
Property plant and equipment	80,370	68,200
Deferred tax assets	98	-
Goodwill on consolidation	18,105	-
	98,573	68,200
Current Assets		
Inventories	22,608	18,201
Amount due from customers for contract works	5,866	6,183
Trade and other receivables	80,259	65,559
Tax recoverable	-	-
Fixed deposits placed with licensed banks	62,798	8,227
Cash and bank balances	17,811	16,695
Total Current Assets	189,342	114,865
TOTAL ASSETS	287,915	183,065
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	34,188	28,490
Share premium	90,825	26,739
Revaluation reserve	4,340	3,280
Foreign currency translation reserve	(98)	(25)
Reserve arising from reverse acquisition	(17,007)	(17,007)
Retained earnings	47,080	38,258
Non-controlling interest	6,218	3,934
Total Equity	165,546	83,669
Non Current Liabilities		
Loan and borrowings	32,762	19,512
Deferred tax liabilities	930	937
	33,692	20,449
Current Liabilities		
Amount due to customers for contract works	-	202
Trade and other payables	54,981	35,383
Loan and borrowings	31,618	40,924
Tax payables	2,077	2,438
Total Current Liabilities	88,676	78,947
TOTAL LIABILITIES	122,368	99,396
TOTAL EQUITY AND LIABILITIES	287,914	183,065
Net assets per share attributable to owners of the Company (RM)	0.48	0.29

Notes:

- (1) The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2013 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	Attributable to owners of the Company							
	Non-distributable					Distributable		
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Reserve arising from the Reserve Acquisition RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000
At 1 January 2014	28,490	26,739	3,280	(25)	(17,007)	38,258	79,735	3,934
Acquisition of subsidiaries	-	-	-	-	-	-	-	915
Disposal of subsidiaries	-	-	-	-	-	(230)	(230)	(63)
Issuance of new shares	5,698	68,376	-	-	-	-	74,074	-
Share issuance expenses	-	(4,290)	-	-	-	-	(4,290)	-
Revaluation surplus on fixed assets	-	-	1,060	-	-	-	1,060	-
Foreign currency translation	-	-	-	(73)	-	-	(73)	-
Total comprehensive income for the financial period	-	-	-	-	-	9,052	9,052	1,432
At 30 September 2014	34,188	90,825	4,340	(98)	(17,007)	47,080	159,328	6,218
At 1 January 2013	25,900	17,691	3,349	(14)	(17,007)	25,898	55,817	2,079
Acquisition of subsidiaries	-	-	-	-	-	-	-	146
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,295)	(1,295)	-
Issuance of new shares	2,590	9,583	-	-	-	-	12,173	-
Share issuance expenses	-	(461)	-	-	-	-	(461)	-
Foreign currency translation	-	-	-	16	-	-	16	-
Total comprehensive income for the financial period	-	-	-	-	-	8,355	8,355	1,207
At 30 September 2013	28,490	26,813	3,349	2	(17,007)	32,958	74,605	3,432

Notes:

- 1) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	Current Period to Date Ended 30-Sep-14 RM'000	Preceding Period To Date Ended 30-Sep-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,539	12,328
Adjustments for:		
Depreciation	3,058	1,331
Unrealised loss on foreign currency exchange	-	(4)
Gain on disposal of property, plant and equipment	-	(1)
Gain on disposal of a subsidiary	67	-
Interest expenses	3,360	2,100
Interest income	(266)	(166)
	<u>19,758</u>	<u>15,589</u>
Changes in working capital		
Inventories	(4,090)	(9,393)
Receivables	(9,896)	(4,409)
Payables	16,439	(856)
Amount due from customer for contract works	(202)	(1,603)
	<u>22,009</u>	<u>(672)</u>
Tax paid	(3,423)	(2,517)
Interests paid	-	(40)
Interests received	266	166
Net cash flows from operating activities	<u>18,852</u>	<u>(3,063)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	(20,575)	-
Purchase of property plant and equipment	(12,885)	(10,849)
Capital development expenditure	-	(8,666)
Proceeds from disposal of property plant and equipment	-	79
Net cash flows from investing activities	<u>(33,460)</u>	<u>(19,436)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(3,360)	(2,060)
Fixed deposits held as security values	-	(501)
Net change in amount due from director related company	-	14,636
Repayment to the director	-	12,173
Net drawdown of borrowings	3,944	(461)
Proceed from private placement (net)	69,784	-
Dividend paid	-	(1,295)
Net cash flows from financing activities	<u>70,368</u>	<u>22,492</u>
Net Change in cash and cash equivalents	55,760	(7)
Effects of exchange rate changes	(73)	16
Cash and cash equivalents:		
At the beginning of the financial period	18,155	11,938
At the end of the financial period	<u>73,842</u>	<u>11,947</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	17,811	11,945
Fixed deposits	62,798	7,170
	<u>80,609</u>	<u>19,115</u>
Less: Fixed deposits pledged with licensed banks	(6,767)	(7,168)
	<u>73,842</u>	<u>11,947</u>

Note:

- (1) The Condensed Consolidated Statements of Cash Flows should be read in conjunction with Audited Financial Statements for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30 SEPTEMBER 2014

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

A1. Basis of Preparation

These condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B of the Bursa Securities Listing Requirements. The interim financial statements should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

The significant accounting policies and methods adopted for the audited condensed financial statements are consistent with those adopted for the audited financial statements for the FYE 31 December 2013.

A2. Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the FYE 31 December 2013 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - Malaysian Financial Reporting Standards (“MFRS”), Amendments to standards and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2014:

Amendments/Improvements to MFRSs

MFRS 10, MFRS 12 and MFRS 127	Investment Entities
MFRS 132	Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

A3. Auditors’ Report

There was no qualification on the audited financial statements of the Company and its subsidiary companies for the FYE 31 December 2013.

A4. Comments About Seasonal or Cyclical Factors

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

A5. Items of Unusual Nature and Amount

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

A6. Material Changes in Estimates

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

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period-to-date except for the issuance of 56,980,000 ordinary shares of RM0.10 each of the Company (“OCK Shares”), at an issuance price of RM1.30 per share over 2 tranches on 6 June 2014 and 24 June 2014, pursuant to the private placement exercise which was completed on 26 June 2014.

A8. Dividends Paid

There is no dividend paid in the current quarter under review.

A9. Segmental Information

The segmental result of the Group for the FPE 30 September 2014 based on segment activities are as follows:-

Cummulative Quarter 30 Sept 2014	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue from							
External customers	85,088	28,581	6,013	8,284	-		127,966
Inter-segment revenue	2,193	2	1,001	1,273	-	(4,469)	-
Total Revenue	87,282	28,583	7,013	9,557	-	(4,469)	127,966
Profit before tax	11,785	1,644	235	1,551	(316)	(1,360)	13,539
Taxation	(2,641)	(411)	(153)	(388)	-	537	(3,055)
Profit for the financial period	9,144	1,233	82	1,163	(316)	(823)	10,484

Cummulative Quarter 30 Sept 2013	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue from							
External customers	60,678	28,888	8,623	5,873	-		104,062
Inter-segment revenue	2,141	146	665	3,545	-	(6,497)	-
Total Revenue	62,819	29,034	9,288	9,418	-	(6,497)	104,062
Profit before tax	11,785	1,644	235	1,551	(316)	(1,360)	12,328
Taxation	(1,665)	(535)	(268)	(333)	35	-	(2,766)
Profit for the financial period	7,834	1,601	185	1,000	(434)	(624)	9,562

A9. Segmental Information

The segmental result of the Group for the FPE 30 September 2014 based on geographical segment are as follows:-

Cummulative 30 September 2014	Malaysia RM'000	Regional RM'000	Eliminate RM'000	Group RM'000
Revenue from				
External customers	121,138	6,828		127,966
Inter-segment revenue	3,969	500	(4,469)	-
Total Revenue	125,106	7,328	(4,469)	127,966
Profit before tax	12,677	2,222	(1,360)	13,539
Taxation	(2,918)	(674)	537	(3,055)
Profit for the financial period	9,759	1,547	(823)	10,484

There is no geographical segmental comparison for the FPE 30 September 2013 as contributions from overseas operations in 2013 are immaterial.

A10. Valuation of property, plant and equipment

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

A11. Capital Commitments

There was no capital commitment as at the date of this report.

A12. Material subsequent event

There are no material events subsequent to the end of the current financial quarter under review other than as disclosed in Note B6 and B9.

A13. Changes in the Composition of the Group

There are no others changes in the composition of the Group in current quarter under review.

A14. Contingent Liabilities and Contingent Assets

As at 30 September 2014, the contingent liabilities are as follows:

	UNAUDITED	AUDITED
	as at	as at
	30-Sep-14	30-Sep-13
	RM'000	RM'000
Corporate guarantees given by OCK Group Bhd to secure credit facilities granted to:		
- OCK Setia Engineering Sdn Bhd	64,990	62,594
- Milab Marketing Sdn Bhd	6,300	-
- Steadcom Sdn Bhd	1,000	-
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A15. Significant Related Party Transaction

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

	UNAUDITED	AUDITED
	as at	as at
	30-Sep-14	30-Sep-13
	RM'000	RM'000
Nature of Transactions		
Consultancy fee	106	136
Equipment rental received	-	(15)
Labour and Subcon	-	10
Purchases	-	22
Rental of properties paid	212	212
Equipment rental paid	-	-
Sales	(4,687)	(141)
	<hr/>	<hr/>

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

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**B1. Review of Performance**

Individual quarter ended 30 September 2014							
	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue	37,663	4,906	3,249	2,918	-	(804)	47,931
PBT	5,652	213	(177)	470	37	(1,772)	4,424

Individual quarter ended 30 September 2013							
	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue	20,083	15,628	2,600	3,476	-	(1,685)	40,102
PBT	3,707	1,191	290	507	(92)	(661)	4,942

For the quarterly period ended 30 September 2014, the Group reported revenue of RM47.93 million and profit before taxation (“PBT”) of RM4.42 million against of revenue of RM40.10 million and PBT of RM4.94 million in the previous year corresponding quarter. It is mainly due to higher revenue contribution from telecommunication network services, M&E Engineering Services and trading division which mitigate a drop in revenue for the green energy and power solution division.

The drop in the revenue from the green energy and power solutions segment in the current quarter was mainly due to the completion of the Engineering, Procurement, and Construction of 10MWp Photovoltaic Electric Installation in Sepang was completed in first quarter of 2014.

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

Individual quarter ended 30 September 2014							
	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue	37,663	4,906	3,249	2,918	-	(804)	47,931
PBT	5,652	213	(177)	470	37	(1,772)	4,424

Individual quarter ended 30 June 2014							
	Telecommunication Network Services RM'000	Green Energy and Power Solution RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding Company RM'000	Eliminate RM'000	Group RM'000
Revenue	27,370	11,104	2,107	4,681	-	(1,832)	43,430
PBT	2,985	767	575	441	(283)	105	4,590

The total revenue of RM47.93 million recorded for the current quarter was higher as compared to the revenue recorded for in the preceding quarter of RM43.43 million mainly due to higher contributions from telecommunication network services and trading division which mitigate a drop in the green energy and power solution division. The drop in the revenue from the green energy and power solutions segment in the current quarter was mainly due to the completion of the Engineering, Procurement, and Construction of 10MWp Photovoltaic Electric Installation in Sepang was completed in first quarter of 2014.

The total PBT recorded for the current quarter at RM4.42 million was marginally lower than the immediate preceding quarter of RM4.59 million by RM0.15 million due mainly to higher costs incurred by the Group to increase its staff force to undertake more managed services works in Malaysia.

Revenue from the telecommunications network services segment increased by RM10.2967 million as compared to the immediate preceding quarter due to more execution work required by the telecommunication operators in the third quarter of 2014.

Revenue from the green energy and power solutions segment decreased by RM6.19 million as compared to the immediate preceding quarter as the Engineering, Procurement, and Construction of 10MWp Photovoltaic Electric Installation in Sepang was completed in first quarter of 2014 despite the generator sales momentum having been sustained in this current period.

The trading segment registered an increase in revenue of RM1.140.59 in the current quarter mainly due to more trading activity in the telecommunication network equipment.

B3. Prospects

Major telecommunications companies (“Telcos”) which were awarded LTE – 4G / 2,600MHz spectrum by the Malaysian Communications and Multimedia Commission (MCMC) in the year 2012 have begun investing in upgrading their equipment and infrastructures to accommodate the rising usage of data under the current 3G/4G environment. These Telcos have started the implementation of their 4G (LTE) services in year 2013 and are expected to continue investing and developing 3G HSPA+ sites in addition to further expanding their LTE coverage to other parts of Malaysia in the near future.

The Group is expected to benefit from the increase projects coming out from the networks expansion undertaken by these Telcos. In addition to that, the Group is also building its recurring income base by undertaking more managed services for the Telcos in Malaysia. Further to that, with completion of the acquisition of PT Putra Mulia Telecommunication, the Group expect significant contribution from its overseas business moving forward.

Apart from focusing on the Group’s telecommunication business, the Group is also sourcing for more business and/or investment opportunities in the sustainable energy sector that is rapidly growing in demand. Sustainable Energy Development Authority Malaysia (“SEDA”) releases quotas for solar energy under the Feed in Tariff (“FiT”) programme annually. Therefore, involvement in renewable energy such as solar energy will bring forth an increase in additional values in terms of monetary, corporate image and corporate social responsibility value.

Based on the current industry outlook and our plans as indicated above and given [that](#) there is no unforeseen circumstances, the Board of Directors is of the opinion that the business and performance of the group are expected to remain positive for the FYE 31 December 2014.

B4. Profit forecast

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

B5. Taxation

	Current Year-To-Date Ended 30-Sept-14 RM'000	Corresponding Year-To-Date Ended 30-Sept-13 RM'000
Malaysia	3,055	2,766
Deferred Tax	-	-
Total income tax expenses	<u>3,055</u>	<u>2,766</u>

The Group’s effective tax rate for the financial period to date is 22.56% and lower than statutory tax rate of 25%.

B6. Status of Corporate Proposal

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement:

(i) Proposed Private Placement

- a. On 15 April 2014, RHB Investment Bank Berhad ("RHBIB") had, on behalf of the Board, announced that the Company proposes to undertake a private placement of up to 20% of the issued and paid-up share capital of OCK, at an issue price to be determined later.
- b. On 28 April 2014, RHBIB had announced that the Board wished to vary certain salient terms of the Proposed Private Placement made on 15 April 2014 pertaining to the allocation of the Placement Shares and the interest of directors and/or major shareholders of OCK and/or persons connected to them.
- c. On 9 May 2014, RHBIB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 9 May 2014, resolved to approve the listing of and quotation for up to 59,025,454 OCK Shares, representing up to 20% of the enlarged issued and paid-up share capital of OCK (excluding treasury shares) subject to the shareholders approval.
- d. On 6 June 2014 and 24 June 2014, the Company completed the issuance of 56,980,000 new OCK Shares at an issuance price of RM1.30 per share.
- e. On 26 June 2014, the Proposed Private Placement was completed.

ii) Proposed Acquisition, Proposed Employees' Share Option Scheme ("ESOS"), Proposed Increased in Authorised Share Capital and Proposed Amendments

On 29 April 2014, RHBIB had, on behalf of the Board, announced the following:

- a. OCK International Sdn Bhd ("OCKISB"), a wholly-owned subsidiary company of OCK had, on 29 April 2014, entered into a conditional share sale agreement with Song Chin Yew and Lim Hooi Seeh ("collectively, the Vendors") for the proposed acquisition by OCK International Sdn Bhd of 85% equity interest in PT Putra Mulia Telecommunication from the Vendors for a purchase consideration of RM21,250,000 ("Purchase Consideration"). The Purchase Consideration is to be fully satisfied via a combination of RM10.00 million in cash and issuance of 10,227,272 new OCK Shares at an issue price of RM1.10 per OCK Share ("Proposed Acquisition").
- b. Proposed establishment of an ESOS of up to 10% of the issued and paid-up share capital of OCK ("Proposed ESOS");

The Proposed ESOS involves the granting of ESOS options to the employees and Directors of OCK and its subsidiaries, which are not dormant, who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the by-laws of the Proposed ESOS ("By-Laws") ("Eligible Person(s)") to subscribe for new OCK Shares at specified prices to be determined in the manner set out below:

- i. The subscription price shall be the higher of:-

The five (5)-day weighted average market price of OCK Shares immediately preceding the date on which an offer is made by the ESOS Committee in writing ("Date of Offer"), with a discount of not more than 10% at the ESOS Committee's discretion; or the par value of OCK Shares.

B6. Status of Corporate Proposal (Continued)

- ii. The Proposed ESOS will be administered by a committee to be appointed and duly authorised by the Board ("ESOS Committee") and shall be governed by the By-Laws.
- c. Proposed increase in authorised share capital of OCK from RM50,000,000 comprising 500,000,000 OCK Shares to RM100,000,000 comprising 1,000,000,000 OCK Shares; and
- d. Proposed amendments to the Memorandum and Articles of Association of OCK to facilitate, amongst others, the implementation of the Proposed Increase in Authorised Share Capital.

These corporate proposals was approved by the shareholders' at the Company EGM held on 2 September 2014.

On 12 November 2014, RHBIB had, on behalf of the Board, announced that all the conditions precedent have been fulfilled pursuant to the SSA dated 29 April 2014 in relation to the Acquisition; and the 10,227,272 OCK Shares issued to the Vendors to partially satisfy the purchase consideration for the Acquisition were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on Tuesday, 11 November 2014.

(iii) Proposed Transfer and Proposed Bonus Issue

On 14 May 2014, RHBIB had, on behalf of the Board, announced that the Company proposes to undertake the following:-

- a. A transfer of the listing of and quotation for the entire issued and paid-up share capital of OCK from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer").

The Proposed Transfer entails the transfer of the listing of and quotation for the entire issued and paid-up share capital of OCK from the ACE Market to the Main Market of Bursa Securities. OCK has met the requirements for the transfer to the Main Market of Bursa Securities as set out in the Equity Guidelines issued by the Securities Commission Malaysia ("SC") and the Main Market Listing Requirements of Bursa Securities.

- b. A bonus issue of up to 177,076,363 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing OCK Shares held on an entitlement date to be determined later ("Proposed Bonus Issue"); and
- c. Amendments to the Memorandum and Articles of Association of OCK.

The application in relation to the Proposed Transfer has been submitted to the SC and the Equity Compliance Unit of the SC on 8 August 2014 and the SC had vide its letter dated 21 October 2014 ("Decision Letter") (which was received on 24 October 2014) informed that the application for the Proposed Transfer has been approved under Section 214(1) of the Capital Market and Services Act 2007 ("CMSA") and under the equity requirement for public companies. The Proposed Transfer was completed on 20 November 2014.

The book closure for the Proposed Bonus Issue was set on 26 November 2014.

B7. Utilisation of Proceeds Arising from Corporate Exercise(s)

- i) The gross proceeds of RM12.17 million from the private placement exercise which was completed on 19 August 2013 would be utilised in the following manner:

Purposes		Proposed Utilisation RM'000	Actual Utilisation As at 30.09.2014 RM'000	Balance Utilisation %	Reason for Deviation
(i)	Working capital				
	- Expenses for regional expansion	5,000	5,000	-	(1)
	- Repayment to trade creditors and other creditors (i.e. payment for inventories)	6,500	6,500	-	
	- Defrayment of general expenses	193	193	-	
(iv)	Defray estimated expenses	480	480	-	(2)
	Total gross proceeds	12,173	12,173	0.00%	

Notes:

- (1) The approved time frame for utilisation is within twelve (12) months from the date of listing i.e. by 18 August 2014.
(2) The approved time frame for utilisation is within one (1) month from the date of listing i.e. by 18 September 2013.

- ii) The gross proceeds of RM74.07 million from the private placement exercise which was completed on 26 June 2014 would be utilised in the following manner:

Purposes		Proposed Utilisation RM'000	Actual Utilisation As at 30.09.2014 RM'000	Balance Utilisation %	Reason for Deviation
(i)	Business Expansion	50,000	6,350	87%	(1)
(ii)	Repayment of borrowings	8,000	4,800	40%	(2)
(iii)	Renovation costs	3,000	1,744	42%	(2)
(iv)	General working capital	11,574	3,479	70%	(2), (3)
(v)	Estimated expenses in relation to the Proposed Private placement	1,500	1,500	-	(4)
	Total gross proceeds	74,074	17,873	75.87	

Notes:

- (1) The approved timeframe for utilisation is within twenty-four (24) months from the date of listing i.e. by 24 June 2016.
(2) The approved timeframe for utilisation is within twelve (12) months from the date of listing i.e. by 24 June 2015.
(3) The amount allocated to the general working capital portion will be adjusted downwards by approximately RM163,000 to approximately RM11.41 million due to the variation as mentioned below. As such, the remaining balance utilisation for the general working capital portion shall be revised to 98.59% .
(4) The actual utilisation for the defrayment of estimated expenses in relation to the private placement exercise exceeded the proposed utilisation by approximately RM163,000 or 10.87%, due to additional placement fees incurred for the actual gross proceeds raised from the private placement exercise which was higher than the proposed amount indicated in the Circular dated 12 May 2014. Such variation amount will be adjusted accordingly from the amount allocated to the general working capital portion.

B8. Group borrowings and debt securities

The Group's borrowings as at 30 September 2014 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings:-			
Bonds		2,777	2,777
Hire purchase	9,646	-	9,646
Term loans	20,339	-	20,339
	29,985	2,777	32,762
Short term borrowings:-			
Bankers' acceptance	7,377	-	7,377
Bonds	-	468	468
Trust receipts/LC	11	-	11
Revolving project loan	19,662	-	19,662
Hire purchase payables	2,915	-	2,915
Term loans	1,184	-	1,184
	31,150	468	31,618

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

Since the preceding FYE 31 December 2013, there is no change in material litigation as at the date of this announcement except as disclosed below:

- (a) On 22 July 2014, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn Bhd ("OCK SE") was served with a Writ of Summon dated 22 July 2014 filed in the Kuala Lumpur Section Court by the solicitors acting for Ch'ng So-Fia ("the Plaintiff"), claiming the sum of RM402,550.00 together with interest thereon and costs. The claims are purportedly in respect of outstanding balance of professional fees rendered by the Plaintiff to the Company.
- (b) Only 24 July 2014, the Company's wholly-owned subsidiary, OCK SE served with a Writ of Summon filed in the Kuala Lumpur Section Court by the solicitors acting for Hooi Tuck Yin ("the Plaintiff"), claiming the sum of RM351,000.00 together with interest thereon and costs. The claims are purportedly in respect of outstanding balance of advisory fees rendered by the Plaintiff to the Company.

On 21 August 2014, both the above mentioned litigation cases have achieved an amicable settlement by both parties where the Plaintiffs for both cases had filed Notice of Discontinuance and withdraw the whole suit against OCK SE without liberty to file afresh and without cost.

B10. Retained and Unrealised Profits/Losses

	UNAUDITED as at 30-Sep-14 RM'000	AUDITED as at 30-Sep-13 RM'000
Total retained earnings of the Company and its subsidiary companies:		
- Realised	48,591	34,465
- Unrealised	(1,511)	(1,507)
Total Group retained profits as per consolidated accounts	<u>47,080</u>	<u>32,958</u>

B11. Earnings Per Share

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

	Current Quarter Ended 30-Sep-14	Corresponding 30-Sep-13	Current Year-To-Date Ended 30-Sep-14	Corresponding 30-Sep-13
Group's comprehensive income attributable to equity holders of the Company (RM'000)	3,014	3,570	9,052	8,355
Weighted average number of ordinary shares ('000)	341,880	284,900	307,232.82	284,900
Earnings per share (sen):				
- Basic ^	0.88	1.25	2.95	2.93
- Diluted*	N/A	N/A	N/A	N/A

Notes:

- ^ Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- * The Group does not have any outstanding/convertible securities.

B12. Profit for the period

	Current Quarter Ended 30-Sep-14 RM'000	Corresponding 30-Sep-13 RM'000	Current Year-To-Date Ended 30-Sep-14 RM'000	Corresponding 30-Sep-13 RM'000
Profit before taxation is arrived at after charging/(crediting)	4,424	4,942	13,539	12,328
(a) depreciation	1,148	469	3,058	1,331
(b) gain on disposal of a subsidiary	-	-	(212)	-
(c) gain on disposal of property, plant and equipment				(92)
(d) interest expenses	854	654	3,360	2,100
(e) interest income	(395)	(6)	(266)	(166)
(f) Gain on foreign exchange	(9)	-	(26)	-
(g) Loss on foreign exchange	7	84	71	81
(h) other income	(109)	(115)	(109)	(167)
(i) rental income	(200)	(441)	(517)	(1,277)

B13. Dividend

No interim dividend has been proposed or declared for the current financial quarter ended 30 September 2014.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)
Company Secretary
Kuala Lumpur
Date: 26 November 2014