OCK GROUP BERHAD
(955915-M)

DRIVING NETWORK SOLUTIONS

Annual Report 2013

VISION>

- To be a Leading Telecommunication Service and Green Renewable Energy Provider.

MISSION>

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

CONTENTS

CORPORATE PROFILE

OCK Group is an expanding group of companies with a number subsidiary companies. Since our establishment, OCK Group has ventured into four major business divisions that expound our business footprint in the industry: Telecommunication Network Services, Trading of Telecommunication and Network Products, Green Energy and Power Solutions, as well as M&E Engineering Services.

OCK Group is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our service offering comprehensively covers services from all six segments of the telecommunication network services market: network planning, design and optimization, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services. As a Network Facilities Provider (NFP) Licensee, we are able to build, own and rent telecommunication towers and rooftop structures to the eight telecommunication operators in Malaysia.

OCK Group also trades in telecommunication hardware and installation of materials such as antennas, feeder cables, connectors etc. This business division complements the core business of the Group as it acts not only as a materials supplier to the Group but to other telecommunication network service providers and operators as well.

As our businesses expand, OCK Group has ventured into Green Energy and Power Solutions, an imminent and a rapidly increasing industry in Malaysia. Concurrently, we are active in the construction of solar farms as well as supplying power generation equipment for commercial, retail and factory buildings, and inclusive of installation, commissioning and testing services.

M&E is one of the core businesses of OCK Group that provides mechanical and electrical services to housing development projects, commercial high-rise buildings, factories, infrastructures, airports, medical centres and hotels. We are capable of providing project management, supply and installation of most mechanical and electrical services.

In 2013, OCK Group has achieved several significant milestones. The Lembaga Tabung Angkatan Tentera (LTAT) has vested their interest in our Group by becoming one of our shareholders. We are also growing substantially with our establishments abroad. In addition to Fortress Singapore, OCK Phnom Penh in Cambodia and OCK Yangon in Myanmar, we are expanding our business footprint further across the region with Fuzhou 1-Net in China, a company that provides network optimization services.

CORPORATE MILESTONES

2000
- OCK was established

2004
- Registered as ASP's with Ericsson and Alcatel-Lucent

2005-2010
- Inflow of contracts awarded by various cellular operators and equipment vendors

2011
- 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

2013
- Announced Final Single Tier Dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2012
- Lembaga Tabung Angkatan Tentera ("LTAT") emerged as substantial shareholders with more than 15% stake.
- Launch of RM150 million SUKUK Programme for the expansion plan in the Telco Divison.
- Establish OCK Yangon Pte. Ltd. and OCK Phnom Penh Pte. Ltd.

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
Group 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

Dato' Mohd Som Bin Ibrahim
Non Independent and Non-Executive Director

AUDIT COMMITTEE

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

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

CORPORATE OFFICE

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
(CONTINUED)

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

SPONSOR

RHB Investment Bank Berhad (21605-D)
Level 12, Tower Three,
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel : (603) 9280 5281
Fax : (603) 9287 4770

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 Kenanga,
Lot LGF 019-021
Lower Ground Floor
Kenanga Wholesale
City 28, Jalan Gelugor
Off Jalan Kenanga
55800 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

OCK GROUP BERHAD

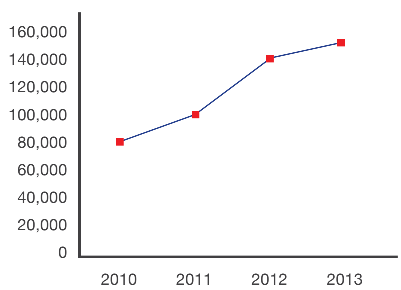
- **100%** OCK Setia
  - **100%** Delicom
  - **51%** Steadcom
  - **52%** El Power
  - **100%** Fortress Singapore
    - **100%** Fortress Malaysia
  - **61%** Firatel
  - **100%** OCK M&E
  - **99.99%** OCK Yangon
  - **51%** Dynasynergy
- **100%** OCK International
  - **100%** OCK Phnom Penh
  - **51%** Fuzhou 1-Net
- **100%** OCK Ventures
  - **65%** OCK Industries
  - **100%** Massive Connection
- **100%** Milab

FINANCIAL HIGHLIGHTS

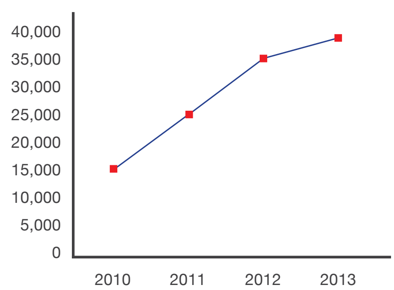
		PROFORMA (AUDITED)		AUDITED	
For Year Ended 31 DECEMBER		**2010**	**2011**	**2012**	**2013**
Revenue	RM'000	66,778	88,325	138,602	152,041
Gross Profit	RM'000	11,890	22,413	35,464	39,104
GP Margin	%	17.81	25.38	25.59	25.72
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM'000	7,305	14,847	22,397	26,038
Profit Before Taxation (PBT)	RM'000	4,989	12,330	19,043	21,159
PBT Margin	%	7.47	13.96	13.74	13.92
Profit After Taxation (PAT)	RM'000	3,516	9,200	13,954	15,291
PAT Margin	%	5.27	10.42	10.07	10.06
Profit For The Year Attributable To Equity Holders	RM'000	3,378	8,523	13,148	13,582
Gross Earnings Per Share (Gross EPS)*	sen	2.71	6.70	7.35	7.43
Net Earnings Per Share (Net EPS)**	sen	1.91	5.00	5.39	5.37
Basic Earnings Per Share #	sen	-	-	5.10	5.00

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 gross EPS is computed based on the consolidated PBT divided by the number of Shares in issue during the financial year*
*** The net EPS is computed based on the consolidated PAT divided by the number of Shares in issue during the financial year*
 # Basic earnings per share is calculated based on the net profit for the financial year divided by the weighted average number of ordinary shares in issued during the financial year.

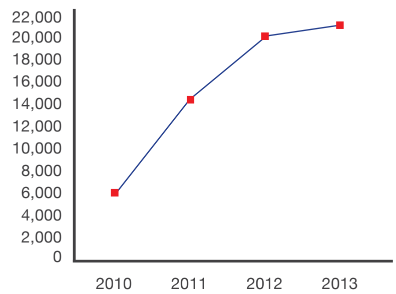
Revenue (RM'000)



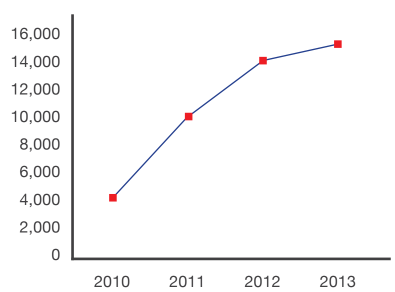
Gross Profit (RM'000)



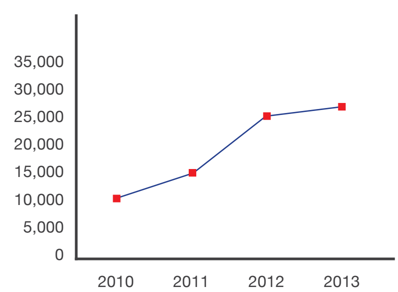
Profit Before Tax (RM'000)



Profit After Tax (RM'000)



EBITDA (RM'000)



DIRECTORS' PROFILE

Dato' Syed Norulzaman Bin Syed Kamarulzaman

Malaysian, Aged 65, Senior Independent Non-Executive Chairman (Appointed on 3 January 2013)

Abdul Halim Bin Abdul Hamid

Malaysian, Aged 47, Deputy Chairman (Appointed on 31 October 2011)

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 needy 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 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.

He also play his role as our Chairman for OCK Group of Companies Safety Health and Environment committee to ensure OCK daily activity conform to related regulation. He also assiting OCK especially dealing with Government body.

DIRECTORS' PROFILE
(CONTINUED)

Ooi Chin Khoon

Malaysian, Aged 46,
Group Managing Director
(Appointed on 31 October 2011)

Low Hock Keong

Malaysian, Aged 43,
Executive Director
(Appointed on 31 October 2011)

Ooi Chin Khoon is our Group's Managing Director/ Chief Executive Officer. 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 is also our Group's Chief Operating Officer. 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 Telecommunication 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

(CONTINUED)

Chang Tan Chin

Malaysian, Aged 46,
Executive 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 44,
Executive Director
(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
(CONTINUED)

Lee Yow Fui

Malaysian, Aged 43, 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 and subsequently promoted 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 45, 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 Nexgram Holdings Berhad (formerly known as Nextnation Communication Berhad) and Wintoni Group Berhad (formerly known as Winsun Technologies Berhad), companies listed on the ACE Market of Bursa Securities.

DIRECTORS' PROFILE
(CONTINUED)

Dato' Mohd Som Bin Ibrahim

Malaysian, Aged 60, Non Independent & Non-Executive Director (Appointed on 9 December 2013)

Rear Admiral Dato' Mohd Som Bin Ibrahim ("RADM Dato' Mohd Som") (Retired) began his career in the Royal Malaysia Navy ("RMN") as a Cadet Officer in September 1973. He received his Naval Training in the Britannia Royal Naval College Dartmouth, United Kingdom ("UK") in 1974 and was commissioned as a Sub-Lieutenant in January 1977. He became as a specialist in Navigation after passing the course in 1980 in the UK.

With more than 37 years of service, RADM Dato' Mohd Som served on board many ships and shore jobs. He commanded 5 RMN warships from 1981-2004, including the 4400 tons Multi-role Support ship KD MAHAWANGSA.

Besides the sea service, he also held several shore appointments in the Malaysian Armed Forces. Among the notable ones are as Assistant Defense Advisor Embassy of Malaysia in Jakarta (1990-1993), Director of Operations (1998-2002) and as Deputy Head of Mission to the Malaysia Lead International Monitoring Team in Mindanao (2006). RADM Dato' Mohd Som held the post of Assistant Chief of Staff Communications and Electronics of the Armed Forces in 2007. Before his retirement in February 2011, he was appointed as The Naval Region Commander Area 1, based in Tanjung Gelang, Kuantan. In this capacity he was involved in many inter agency cooperation maritime security and communications market of South East Asia countries.

RADM Dato' Mohd Som has attended many courses both local and abroad. He attended the Navigation Course in UK (1980), Naval Staff College, Jakarta (1988) and Defense College Course Kuala Lumpur (1997). He obtained his Advance Diploma in Business Engineering Management from University Technology Malaysia (UTM) in 1999.

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 past ten years.

CHAIRMAN'S STATEMENT

Dato' Syed Norulzaman Bin Syed Kamarulzaman

Senior Independent Non-Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, it is with great pleasure that i hereby present OCK Group Bhd's Annual Report and the audited accounts for the financial year ended 31 December 2013 ("FY2013").

CHAIRMAN'S STATEMENT
(CONTINUED)

"The Group achieved a strong revenue of **RM152.04** million for FY2013, with a profit before tax ("PBT") of **RM21.16** million"

Over the last one year, the telecommunications industry in Malaysia was impacted with a performance slowdown due to a number of factors in particular due to reduction in the roll out of capital expenditure from major telecommunications providers.

Nonetheless, OCK Group has remained resilient and was fully committed towards achieving management's targets and objectives. I am pleased to report that the Group achieved a strong revenue of RM152.04 million for FY2013, with a profit before tax ("PBT") of RM21.16 million. This was achieved against a revenue of RM138.60 million and a PBT of RM19.04 million for Financial year ended 31 December 2012 ("FY2012").

For FY2013, our telecommunications network services remained our leading income contributor with a revenue of RM88.59 million, making up approximately 58% of the Group's total revenue, followed by our Green Energy and Power Solutions segment with a revenue of RM43.07 million.

In fact, based on the Group's roadmap to strenghten our presence within the industry and to strategically position ourselves for sustained growth, we successfully focussed our attention on two of our main objectives for 2013, which are:

1. **To increase investment in telecommunications infrastructure**

   We began the the financial year with a mission to leverage on the Government's initiatives on sharing infrastructure facilities, as well as increase our telecommunication sites portfolio for the Group so as to enhance our revenue stream. By capitalising on market demand during the year, the Group has been able to possess a healthy sum of telecommunication sites and assets. These assets should provide a healthy long-term recurring income for the Group going forward.

2. **To expand our activities in Green Energy and Power Solutions**

   The contract awarded to OCK to build an 10MW solar farm car porch at Kuala Lumpur International Airport Airport, Sepang, has in a sense announced the Group's arrival in the Malaysian solar energy scene. The project has been completed successfully. We intend to continue to pursue opportunities in this area and expand our capacity.

CORPORATE DEVELOPMENTS

On 23 September 2013, the Group successfully established a RM150 million Sukuk Murabahah Programme with BNP Paribas Malaysia Berhad (BNP Paribas) as the Principal Adviser and Lead Arranger, while for the issuance of the Sukuk, BNP Paribas and Bank Muamalat Malaysia Berhad acted as Joint Lead Managers. The tenure of the Sukuk Programme shall be twenty (20) years from the date of the first issue of the Sukuk Murabahah which shall be made within two (2) years from the approval date by the Securities Commission. The funds established from this Sukuk will be invested towards capital requirement for the expansion of the Group.

CHAIRMAN'S STATEMENT
(CONTINUED)

Reflecting on our expansion plans, we have been activitely planning and positioning ourselves through strategic acquisitions, such as when the Group acquired Milab. With this acquisition, OCK now owns and manages a 1MW solar farm in Kelantan. This solar farm is fully energised under the Feed-in Tariff ("FiT") programme which is one of the government's initiatives in promoting green energy in Malaysia.

To further strengthen our operations in the engineering and maintenance services segment, the Group has expanded our resources by also acquiring Dynasynergy Services Sdn. Bhd.

Regionally, OCK has already set up companies in emerging telecommunication and technology markets such as in China, Vietnam, Cambodia and Myanmar. The Group is taking all the necessary steps to ensure that OCK is well positioned to seize business opportunities as it arises be it in Malaysia, or within the region.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITIES ("CGSR")

The OCK Board of Directors fully understands the importance and value of corporate governance and social responsibilities which is why OCK works towards integrating CGSR within our daily operations. We are committed at maintaining our best standards of corporate governance in our daily business operations and activities. The Group notes that this is a fundamental responsibility in protecting our shareholders' interests and to further enhance our business.

We believe that sustainable growth is through a high level of corporate governance. Transparency, accountability, integrity and the highest standards of professionalism, with expertise and technical know-how are important components in that regard.

INDUSTRY PROSPECTS AND OUTLOOK

Major telecommunication providers in Malaysia are actively investing and upgrading of telecommunication infrastructures to accommodate the rising market demand consistent with the implementation of the 4G services. Consumers are seeking for wider and faster coverage within this aggressively developing technological environment. Under such an environment and being a leading market player in Malaysia, the outlook for the year ahead continues to be positive for the Group.

The Government's intention to improve telecommunication network in Malaysia is viewed positively by the Group. Its intention to allocate RM1.5billion to build 1,000 telecommunication towers in Malaysia will certainly provide business opportunities for companies like the OCK Group. As we are equipped with Network Facilities Provider ("NFP") and Network Services Provider)"NSP") Lisence, coupled with our seasoned team of expertise, technical know-how and strong track record, I believe that OCK will emerge as one of the primary beneficiaries of this program.

Under the 10th Malaysia Plan, a renewable energy target of 5.5% solar generating capacity by 2015 and further rising to 11% by 2020 has been set. Solar developers such as OCK will be able to capitalise on this initiative and benefit from one of Asia's most prominent solar PV Feed-in-Tariff ("FiT") schemes in the future.

As part of the Group's expansion efforts, OCK will continue to scout for strategic business acquistions within South East Asia to create synergistic business collaboration while maintaining a competitive edge and sustainable growth in the rapidly evolving market.

APPRECIATION

On Behalf of the Board I would like to welcome Rear Admiral(Rtd) Dato' Mohd Som Bin Ibrahim as Non-Executive Non Independent Director who was appointed to the Board on 9 December 2013. With his wealth of experience, I am confident he will contribute effectively to the deliberations of the Board.

The Board and I would certainly like to also express our appreciation to the management and employees of OCK for their continued dedication to the Group. The Group's success would not have been possible if not for their hard work and commitment, and to our shareholders, partners, bankers and regulatory authorities, we also thank them for their invaluable support and assistance. We look forward to their continued support as we journey ahead together to another positive and successful year.

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

MANAGEMENT REVIEW

Throughout 2013, the management worked extensively in delivering strong operational performance and sustainable financial growth. We kept our focus on consistent execution, high quality professional services and network products - maintaining the Group's mission and vision pledged to our entrusted partners, customers and stakeholders.

Ooi Chin Khoon

Group Managing Director

GROWTH AND EXPANSION DYNAMICS

Market Positioning

As a growing organization, the management understands that it is vital to equip ourselves with the necessary resources to continuously strengthen our business offerings and corporate positioning in order maintain an innovative and competitive edge within a continuously evolving industry and fast changing environment.

In 2013, we successfully obtained our Fibre Optic License and in 2014 we were awarded the Network Services Provider ("NSP") license to further enhance our comprehensive end-to-end solutions and to meet the growing demand of technological requirements and advancements in the market.

The individual NSP License enables OCK to import and own telecommunication network equipment such as Radio base stations, microwave links and all other various supporting equipment. The NSP individual license also allows OCK to provide connectivity and bandwidth services to support a variety of applications, which will allow OCK to further improve our service offerings.

Now, having obtained these two additional licenses, with enhanced service offerings, we anticipate that it will contribute positively to our future earnings.

Growing Capabilities

Since our Initial Public Offering in July 2012, OCK has increased its telecommunication asset count comprising of ground-based towers and rooftop structures, which are contributing to the Group's long-term recurring income. With our Network Facility Provider ("NFP") License allowing us to build, own and rent telecommunication structures, we trust that we are well and firmly positioned to be one of the primary beneficiaries amidst the current 4G network roll-out in Malaysia.

MANAGEMENT REVIEW
(CONTINUED)

Mounting on our expertise in green technology and power solutions, OCK had during the financial year, ventured into the green energy industry when we secured and completed a 10 mega watt (10MW) solar farm located in Kuala Lumpur International Airport in Sepang. OCK was the main sub-contractor for this solar farm project that was executed less than a year and is now the largest single-solar farm in Malaysia.

The Group itself also owns and manages a 1MW solar farm in Kelantan, which is now energised and selling energy back to the national grid via the Feed-in-Tariff ("FiT") arrangement. This creates a new source of recurring income for the Group.

We are actively exploring strategic opportunities to expand our green energy segment leveraging on our expertise and dynamic technology solutions. Moving forth, we are largely focusing on solar power generation to capitalize on the increasing market demands, growing public awareness and concerns in environmental issues and the Government's initiatives in driving renewable energy in Malaysia as one of the key objectives to reduce our carbon footprint.

Strategic Expansion

As part of our on-going strategic expansion plan, we have firmly developed our presence in Cambodia and Myanmar in FY2013 with our Cambodian unit being awarded two main-frame contracts from one major telecommunications operator for telecommunication site constructions. Through our subsidiary OCK Yangon Co. Pte. Ltd., OCK is working with a technology provider for equipment installation, testing and commission and network optimization. These regional business activities will start to contribute more towards our core profit in our financial year ending 31 December 2014 ("FY2014").

We focus on dynamic growth and are continuously seeking for sustainable growth opportunities and prospects within our markets, which includes improving our in-house talent through effective human resource management and acquisition of relevant business assets. In July 2013, we acquired 51% equity in Dynasynergy Services Sdn. Bhd. to compliment our business activities – adding stronger operations, engineering and maintenance services to the Group.

Looking forward to support our continuous growth we are sourcing for strategic business mergers and acquisitions that would provide synergistic value to our current business model and which bring consistent profit contribution to the Group.

FOCUSING ON KEY OBJECTIVES AND DRIVING OUR PERFORMANCE

In 2012, we established a strategic vision to achieve three key milestones: (i) to increase the Group's asset count, (ii) to expand our business footprint overseas and (iii) to diversify our green technology and power solutions. By the end of 2013, the management has successfully achieved each of these objectives by selectively deploying our capital and maintaining a disciplined approach to evaluating all aspects of our projects and expansion opportunities in our respective markets.
In light of a challenging macro environment in Malaysia that reflected a slower growth for the majority, OCK maintained a favourable financial performance for FY2013 with a revenue growth of 10.0% as compared to FY2012. In regards to the Group's bottom line performance, we reported a profit after tax of RM15.29 million which translates to basic earnings per share of 5.0 sen.

MANAGEMENT REVIEW
(CONTINUED)

Telecommunication Network Services

Our core business activity and profit contributor recorded a revenue of RM88.59 million, representing 58.9% of the Group's total revenue for FY2013. This segment's performance was largely driven by telecommunication construction activities.

Telecommunication Network Services experienced a slight slowdown during the first half of the financial year with various pending market uncertainties hence leading to a delay in the rollout of the capital expenditure overall from telecommunication operators, network providers and government projects alike. With that said, business activities did pick up towards the later of the second half of the financial year.

Green Technology and Power Solutions

The Group's Green Technology and Power Solutions business revenue increased by RM24.12 million to RM42.92 million in FY2013 compared to RM18.8 million that was reported last year. The staggering 128.3% increase in revenue was due to the Engineering, Procurement and Construction Contract (EPC) for the construction of the 10MW solar farm project in KLIA.

We foresee that our innovative green technology and power solutions will continue to drive growth in both our top-line performance and bottom-line earnings.

Trading of Telecommunications and Network Security Products

The Group's trading activities reported a revenue of RM10.6 million for FY2013, coming in at a slight decrease as compared to FY2012 of RM11.68 million due to slower trading activities during the year and indirect effects of the slowdown in project roll-outs from telecommunication operators. The revenue of our trading activities is primarily derived from telecommunications hardware and installation of related equipment such as antenna, feeder cables, connectors, water proofing tapes, network security products and solutions and others.

Mechanical & Electrical (M&E) Engineering Services

For FY2013, our M&E segment reported revenue of RM12.74 million presenting an increase of RM3.20 million as compared to FY2012. The slight increase in the segments profit is due to more M&E work executed in 2013.

CONNECTING THE FUTURE AND MOVING FORWARD

The seven (7) major telecommunication companies which were awarded the LTE License (2600 Megahertz Spectrum) by the Malaysian Communications and Multimedia Commission (MCMC) are expected to continue investing in upgrading activities and additional telecommunication infrastructures to accommodate the rapidly rising data usage under the current 3G/4G environment. These upgrading activities will stimulate opportunity growth for the telecommunications network market as telecommunication companies continue to invest and develop 3G HSPA+ sites and further expand their LTE coverage across Malaysia.

In accordance to the Malaysia Budget 2014, the Government announced and implemented the High-Speed Broadband (HSBB) project under the National Broadband Initiative. In 2014, the government will further implement the second phase of HSBB in collaboration with the private sector involving RM1.8 billion in investments, which will benefit approximately 2.8 million households by providing more coverage to urban areas.

Additionally, the Government had also announced its budget allocation of RM1.5 billion to build 1,000 new telecommunication towers across Malaysia over the next three (3) years. Taking these planned initiatives into consideration, the outlook for the telecommunication network market in Malaysia remains to be positive with good opportunities that OCK can capitalize on as its future growth catalyst.

This year we remained focused on our objectives in growing our infrastructure business where we have expanded our asset count expanded our business expertise to regional emerging markets such as Cambodia and Myanmar and ventured into the field of green energy. Moving forth, we will continue our efforts in maximizing our business capacity and growth potential in Malaysia and regionally.

We remain optimistic that the demand for telecommunication infrastructure and services will continue to drive growth in the telecommunication network market with network providers seeking for increased infrastructure and upgrades to accommodate to the rapidly evolving and budding consumer demand for quality and broader network coverage in Malaysia.

Ooi Chin Khoon
Group Managing Director

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

The Group has been firmly committed in actively addressing Corporate Social Responsibility. The Group believes in its business principals and it will always remain the same which is doing business with ethics, taking care of the environment and nurture its people and the community. This commitment plays a vital role as the Group carries out their daily operations.

OUR PEOPLE

Leadership And Training Development Programme

Here at OCK, we believe that our people are our greatest assets. One of the initiatives taken is hosting a leadership and training development program. The objective of this initiative is to cultivate better leadership and teamwork skills through effective communication amongst employees across all levels. This programme was also graced by the top management of the Group as they participated in the programme. This shows the commitment and understanding that building a strong core internally is the initial catalyst for a long term business success.

Teambuilding cum Annual Dinner

We believe that each individual in our Group plays a role in our daily business operations and it is imperative that appreciation is shown to each individual. This year OCK hosted our 7th annual dinner at Mines Wellness Hotel in efforts of showing appreciation to our employees. In conjunction to the annual dinner, we have also included a session of easy and light teambuilding games to build connections and bonds among colleagues.

CORPORATE SOCIAL RESPONSIBILITY
(CONTINUED)

THE COMMUNITY

Run For Peace 2013

Promoting a healthy lifestyle among our employees are also key factors to a corporate's wellness. In 2013, OCK sponsor and participated in support of Run For Peace 2013. Our sponsorship is for a good caused as the goal of this run is to create awareness of peace and promote healthy lifestyle. Some of our employees participated in this run in efforts of promoting healthy living in the Group.

Visitation to Pertubuhan Kebajikan Chester Rawang Selangor home

For 2013, Pertubuhan Kebajikan Chester Rawang, Selangor home was chosen as our Group's contribution to voluntarism. The Pertubuhan Kebajikan Chester Rawang, Selangor home is an old folk's home located in No 2 & 4, Jalan Wangsa ¾, Taman Wangsa Permai, 52200 Kuala Lumpur accommodating a total of 24 old folks. This visitation was spearheaded by our Group's Human Resource Director and together with our employees who brought gifts and professional assistance for the welfare of the home. Assisting in all matters possible by accompanying the old folks, preparing food, spring-cleaning etc.. The Group also bought a hydro plantation system for the home, believing that it is essential in helping the home to be self-sustainable. Through setting up and guidance of the hydro plantation system, the home is now able to grow its own set of vegetables for daily consumption.

Underlying our commitments to Corporate Social Responsibility over the year, we have been steadily increasing our activities focusing on nurturing the core of the Group and slowing branching out and giving back to the community.

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 Code. 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 Group Berhad 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 Boards 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 Company and its subsidiaries ("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.

During the financial year the Company had appointed Dato' Mohd Som Bin Ibrahim as new Non-Independent Non-Executive Director on 9 December 2013.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 1 (cont'd)

Clear Roles and Responsibilities (cont'd)

The Board met five (5) times during the financial year ended 31 December 2013 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)	5/5
Encik Abdul Halim Bin Abdul Hamid (Deputy Chairman)	5/5
Mr Ooi Chin Khoon (Managing Director)	5/5
Mr Low Hock Keong (Executive Director)	5/5
Mr Chang Tan Chin (Executive Director)	5/5
Mr Chong Wai Yew (Executive Director)	4/5
Mr Fu Lit Fung (Independent Non-Executive Director)	5/5
Mr Lee Yow Fui (Independent Non-Executive Director)	5/5
Dato' Mohd Som Bin Ibrahim (Non-Independent Non-Executive Director) (appointed on 9 December 2013)	-

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.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 1 (cont'd)

Board Charter

The Board has established a Board Charter which is available on the corporate website. The Board Charter clearly sets out the principal role of the Board, the demarcation of the roles, functions, responsibilities and powers of the Board, the Board Committees and the management. It also defines the specific accountabilities and responsibilities of the Board to ensure smooth interaction between the Management and the Board. It also reinforces the overall accountability of the Board and Management towards the Company and stakeholders.

Principle 2

Strengthening Board Composition

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

The present Board, led by an independent non-executive Chairman is made up of nine (9) members comprising five (5) Executive Directors, four (4) other Non-Executive Directors, out of which three (3) are independent and one (1) is non- independent. This is in compliance with the Listing Requirements of Bursa Securities for ACE Market 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.

The Non-Independent Non-Executive Director acts as a bridge between Management and stakeholders, particularly, shareholders. He provides relevant checks and balances and ensures that high standards of Corporate Governance are applied.

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 8 and 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.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 2 (cont'd)

Strengthening Board Composition (cont'd)

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

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

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 Bin Syed	Chairman	Senior Independent Non-Executive Director
Ooi Chin Khoon	Member	Managing Director
Lee Yow Fui	Member	Independent Non-Executive Director

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 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	4
RM300,001 – RM400,000	1	-
RM400,001 – RM450,000	1	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	1	-

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 2 (cont'd)

Strengthening Board Composition (cont'd)

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	1,340,895.96	210,459.68	127,850.00	201,478.79	1,880,684.43
Non-Executive Directors	129,500.00	-	-	-	129,500.00

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 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.

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 adherence to the Bursa Securities' ACE Market Listing Requirements ("AMLR'), the Board acknowledges and has set forth that each member of the Board shall not hold more than five (5) executive directorships in public listed corporations.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 4 (cont'd)

Foster Commitment (cont'd)

Effective 1st June 2013, the maximum directorships in public listed companies is reduced from 10 to 5 under the amended listing requirements. In order to further strenghtening the directors' commitment, internally, the Board sets the maximum executive directorship of each members in public listed companies shall not be more than three (3).

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 2013, have also attended the briefing conducted by the Company Secretary on The Malaysian Code on Corporate Governance 2012.

Additionally, the following directors have attended external training programmes and seminars as follows:-

Name of Directors	**Training Attended**
YBhg Dato' Syed Norulzaman Bin Syed Kamarulzaman	• Detecting, Preventing and Reporting Financial Irregularities and Fraud: Painful But Necessary • Advocacy Sessions On Corporate Disclosure
Encik Abdul Halim Bin Abdul Hamid	• Gold of the Desert King • MIRA Workshop on Decision Making Tools For Socially • Council of the Marble Star • Business Relationship Management
Mr Ooi Chin Khoon	• Gold of the Desert King • The Key to Enhancing Company Value • Council of the Marble Star • Business Relationship Management • Advocacy Sessions On Corporate Disclosure
Mr Low Hock Keong	• Gold of the Desert King • Council of the Marble Star • Business Relationship Management • Advocacy Sessions On Corporate Disclosure
Mr Chang Tan Chin	• Gold of the Desert King • MIRA Workshop on Decision Making Tools For Socially • The Key to Enhancing Company Value • Council of the Marble Star • Business Relationship Management • Advocacy Sessions On Corporate Disclosure
Mr Chong Wai Yew	• Gold of the Desert King • MIRA Workshop on Decision Making Tools For Socially • The Key to Enhancing Company Value • Council of the Marble Star • Advocacy Sessions On Corporate Disclosure

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 4 (cont'd)

Foster Commitment (cont'd)

Name of Directors	Training Attended
Mr Fu Lit Fung	• Advocacy Sessions On Corporate Disclosure
Mr Lee Yow Fui	• Transfer Pricing – Challenges and Response • Understanding the basics of computing Corporate Income Tax – with Budget 2014 updates • Withholding Tax on payments to Non-Residents • 2014 Budget Seminar • Tax Audit & Investigation Framework – A Legal & Practical Perspective • Advocacy Sessions On Corporate Disclosure
Dato' Mohd Som Bin Ibrahim	• Mandatory Accreditation Programme

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 2014.

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.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 5 (cont'd)

Uphold of Integrity in Financial Reporting (cont'd)

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 33 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 34 to 36 of this Annual Report.

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 he 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.

STATEMENT ON CORPORATE GOVERNANCE
(CONTINUED)

Principle 8 (cont'd)

Exercise of Shareholders' Rights (cont'd)

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 passes 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 11 April 2014.

AUDIT COMMITTEE REPORT

1. COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The Audit Committee ("the Committee") currently comprises the following members:-

Chairman : Dato' Syed Norulzaman bin Syed Kamarulzaman
(Senior Independent Non-Executive Chairman)
Members : Lee Yow Fui
(Independent Non-Executive Director)
Fu Lit Fung
(Independent Non-Executive Director)

The composition of the Committee of the Group is in compliance with the Listing Requirements of Bursa Malaysia for the ACE Market.

2. TERMS OF REFERENCE

• MEMBERSHIP

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the audit committee should be non-executive directors.

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent director. No alternate director shall be appointed as a member of the Audit Committee.

• QUALIFICATION

At least one (1) member of the Audit Committee:-

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:

- he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
- he/she must be a member of one (1) of the association of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfills such other requirement as prescribed by the Bursa Securities.

• MEETING AND MINUTES

Meetings shall be held not less than four (4) times a year and attended by the Chief Executive Officer, General Manager Finance and other senior management who may be invited as and when required. The presence of external and/or internal auditors will be requested, if required. Other members of the Board and senior management may attend meetings upon the invitation of the Audit Committee. Both the internal and/or external auditors may request a meeting if they consider it to be necessary. The Audit Committee shall meet with the external auditors without executive board members present at least twice a year.

AUDIT COMMITTEE REPORT
(CONTINUED)

2. **TERMS OF REFERENCE (cont'd)**

- **MEETING AND MINUTES (cont'd)**

The Secretary to the Audit Committee shall be the Company Secretary. The Chairman of the Audit Committee shall report on each meeting to the Board.

Any resolution in writing, signed or assented to by all the members of the Committee shall be as valid and effectual as if had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

- **AUTHORITY**

The Audit Committee is empowered to, in accordance with the procedures determine by the Board and at the cost of the Company

- Investigate any matters within its Terms of Reference;
- Have full and unrestricted access to all information in relation to the Company and its subsidiaries ("the Group");
- Have direct communication channels with the External Auditors, and Internal Auditors;
- Obtain external independent professional advice or assistance;
- Convene closed meetings with the External Auditors, the internal Auditors or both, excluding the attendance of management and employees of the Company, whenever deemed necessary;

- **RESPONSIBILITIES AND DUTIES**

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:-

(a) To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;

(b) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;

(c) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;

(d) To review the internal audit scope and functions, plans, findings, performance of the internal audit function, appointment or termination of senior staff members of the internal audit function;

(e) To review the quarterly reporting to the Bursa Securities and year end annual financial statements of the Group before submission to the Board;

(f) To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(g) To consider the nomination and appointment of external auditors, as well as the audit fee;

(h) To review any letter of resignation from the external auditors and any questions of resignation or dismissal;

(i) To obtain written assurance from the external auditors confirming the Audit Committee's independence;

AUDIT COMMITTEE REPORT

(CONTINUED)

2. TERMS OF REFERENCE (cont'd)

• RESPONSIBILITIES AND DUTIES (cont'd)

(j) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

(k) To verify that the allocation of options pursuant to the Employees' Share Options Scheme of the Company is in accordance with the criteria for allocation established under the scheme at the end of each financial year; and

(l) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

• SECRETARY

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

3. AUDIT COMMITTEE MEETINGS ATTENDANCE

There were five (5) Audit Committee meetings held during the financial year ended 31 December 2013. The number of meetings attended by the Committee Members is as follows:-

	ATTENDANCE
Dato' Syed Norulzaman bin Syed Kamarulzaman	5/5
Lee Yow Fui	5/5
Fu Lit Fung	5/5

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 revised 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 31st December 2013;

(d) Reviewed the internal auditors' reports;

(e) Reviewed of related party transactions; and

(f) Reported to the Board on matters addressed at the Audit Committee meetings.

AUDIT COMMITTEE REPORT
(CONTINUED)

5. INTERNAL AUDIT FUNCTION

The ACE Market Listing Requirement 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.

The Internal Auditors had produced and presented their internal audit plan to the Audit Committee for review and approval. The objective of the internal audit plan is to ensure that the audit scope and direction are in line with the Audit Committee's expectations.

During the financial year, the Internal Auditors conducted reviews on certain key operating functions and procedures and recommended action plans for management improvement. The audit reports containing audit findings and recommendations together with management's responses thereto were circulated to all members of the Audit Committee. Areas of improvement identified were communicated to the management for further action. All audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings.

The fee incurred during the current financial year for the internal audit function is RM50,000 (2012:RM12,500).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the ACE Market Listing Requirements, the Board of Directors of OCK Group Berhad is pleased to provide the following statement on the state of internal control and risk management of the Company and its subsidiaries ("the Group"). In producing this Statement, the Board has considered and was guided by the "Statement on Risk Management and Internal Control – Guideline for Directors of Listed Issuers" 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. 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 risks. Towards this end, the Board together with the management of the Group continue to take measures to ensure that its risk management processes are effective to assist the Group to achieve its corporate objectives.

RISK MANAGEMENT AND INTERNAL CONTROL

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 make sure 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, the Board would consider and balance the rewards and returns of these deals and ventures to shareholders against its current Group's human, financial, technology and knowledge capabilities and timing to manage the risk effectively at that point of time.

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;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

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. Yearly 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. ISO Quality Management System for project management processes ensuring 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 of the adequacy of risk management and internal control from the internal auditors. The internal audit function is currently outsourced.

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 obtains 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 management in 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 wuth 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.

Periodcally, 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

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 objectives and there were no material losses resulting from significant control weaknesses. The Board continues to be committed toward maintaining a sound system of internal controls and therefore will carry out measures to strengthen the effectiveness of the internal control systems and shareholders' confidence.

Nonetheless, the Board wishes to point out that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these 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 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 31 December 2013 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

DIRECTOR'S 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 2013.

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/(loss) for the financial year	15,290,892	(489,241)
Other comprehensive income	73,486	-
Total comprehensive income/(loss) for the financial year	15,364,378	(489,241)
Profit/(loss) attributable to:		
Owners of the Company	13,581,849	(489,241)
Non-controlling interests	1,709,043	-
	15,290,892	489,241
Total comprehensive income/(loss) attributable to:		
Owners of the Company	13,655,335	(489,241)
Non-controlling interests	1,709,043	-
	15,364,378	(489,241)

DIVIDENDS

During the financial year, the Company paid a final tax exempt (single tier) dividend of 0.5 sen, on 259,000,000 ordinary shares amounting to RM1,295,000/- in respect of the financial year ended 31 December 2012. The dividend has been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2013.

The directors do not recommend the payment of any dividends in respect of the financial year ended 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.

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.

DIRECTOR'S REPORT
(CONTINUED)

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.

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.

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 issued 25,900,000 of ordinary shares of RM0.10/- each at RM0.47/- per ordinary share via a private placement for a total cash consideration of RM12,173,000/-.

There were no other changes in the authorised, issued and paid up capital of the Company during the financial year.

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

DIRECTOR'S REPORT
(CONTINUED)

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
Rear Admiral Dato' Mohd Som Bin Ibrahim (Retired) - appointed on 9.12.2013
Abdul Halim Bin Abdul Hamid
Ooi Chin Khoon
Low Hock Keong
Chang Tan Chin
Chong Wai Yew
Fu Lit Fung
Lee Yow Fui

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 2013 are as follows:-

	Number of ordinary shares of RM0.10/- each			
Name of director	**At 1.1.2013**	**Bought**	**Sold**	**At 31.12.2013**
The Company				
Direct interest				
Low Hock Keong	7,360,000	-	-	7,360,000
Chang Tan Chin	5,520,000	-	(1,500,000)	4,020,000
Chong Wai Yew	5,520,000	-	(2,000,000)	3,520,000
Ooi Chin Khoon	-	3,500,000	-	3,500,000
Indirect interest				
Abdul Halim Bin Abdul Hamid *	165,600,000	-	(16,835,000)	148,765,000
Ooi Chin Khoon *	166,230,000	200,000	(16,835,000)	149,595,000
The ultimate holding company				
Aliran Armada Sdn. Bhd.				
Indirect interest				
Abdul Halim Bin Abdul Hamid	1,200,000	-	-	1,200,000
Ooi Chin Khoon	600,000	-	-	600,000

* Deemed interested 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.

DIRECTOR'S REPORT
(CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, 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.

DIRECTOR'S REPORT
(CONTINUED)

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: 11th April 2014

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 119 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2013 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 120 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: 11th April 2014

STATUTORY DECLARATION

I, CHAN YING WEI, being the officer 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 119 and the supplementary information set out on page 120 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.

....
CHAN YING WEI

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 11th April 2014.

Before me,

....
Commissioner for Oaths
Kuala Lumpur

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 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 31 December 2013, and a summary of significant accounting policies and other explanatory information, as set out on pages 48 to 119.

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

(CONTINUED)

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 2013 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' report of the subsidiary of which we have not acted as auditors, which is 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 120 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
(CONTINUED)

Other Matters

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

Heng Fu Joe
No. 2966/11/14(J)
Chartered Accountant

Kuala Lumpur

Date: 11th April 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	68,199,823	35,254,721	-	-
Investment in subsidiaries	5	-	-	19,382,315	18,399,998
Total Non-Current Assets		68,199,823	35,254,721	19,382,315	18,399,998
Current Assets					
Inventories	6	18,200,762	13,102,804	-	-
Trade and other receivables	7	65,559,264	60,131,291	33,106,552	16,437,574
Amount due from contract customers	8	6,183,414	1,928,789	-	-
Deposits placed with licensed banks	9	8,226,841	7,130,505	1,005,951	464,807
Cash and bank balances	10	16,694,644	11,473,384	30,040	8,335,234
Total Current Assets		114,864,925	93,766,773	34,142,543	25,237,615
TOTAL ASSETS		183,064,748	129,021,494	53,524,858	43,637,613
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11	28,490,000	25,900,000	28,490,000	25,900,000
Share premium	12	26,739,424	17,691,945	26,739,424	17,691,945
Foreign currency translation reserve	13	(25,667)	(14,630)	-	-
Revaluation reserve	14	3,279,567	3,349,543	-	-
Reverse acquisition reserve	15	(17,007,122)	(17,007,122)	-	-
Retained earnings/(accumulated losses)		38,258,435	25,898,100	(1,823,713)	(39,472)
		79,734,637	55,817,836	53,405,711	43,552,473
Non-controlling interests		3,934,263	2,078,183	-	-
Total Equity		83,668,900	57,896,019	53,405,711	43,552,473
Non-Current Liabilities					
Loans and borrowings	16	19,511,533	17,965,210	-	-
Deferred tax liabilities	19	937,090	437,884	-	-
Total Non-Current Liabilities		20,448,623	18,403,094	-	-

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Current Liabilities					
Amount due to contract customers	8	202,005	190,096	-	-
Trade and other payables	20	35,382,619	24,178,575	119,147	47,827
Loans and borrowings	16	40,924,274	25,283,653	-	-
Tax payables		2,438,327	3,070,057	-	37,313
Total Current Liabilities		78,947,225	52,722,381	119,147	85,140
Total Liabilities		99,395,848	71,125,475	119,147	85,140
TOTAL EQUITY AND LIABILITIES		183,064,748	129,021,494	53,524,858	43,637,613

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Revenue	21	152,041,112	138,602,217	-	1,900,001
Cost of sales	22	(112,937,394)	(103,137,650)	-	-
Gross profit		39,103,718	35,464,567	-	1,900,001
Other income		2,013,783	1,441,988	173,144	158,353
Administrative expenses		(16,889,352)	(15,602,327)	(697,156)	(158,389)
Operating profits/(loss)		24,228,149	21,304,228	(524,012)	1,899,965
Finance costs	23	(3,069,367)	(2,261,061)	-	-
Profit/(loss) before taxation	24	21,158,782	19,043,167	(524,012)	1,899,965
Taxation	25	(5,867,890)	(5,088,784)	34,771	(37,313)
Net profit/(loss) for the financial year		15,290,892	13,954,383	(489,241)	1,862,652
Other comprehensive income:					
Realisation of revaluation reserve		69,976	69,976	-	-
Income tax relating to components of other comprehensive income	25	3 ,510	3 ,510	-	-
Foreign currency translation		-	(10,015)	-	-
Other comprehensive income, net of tax		73,486	63,471	-	-
Total comprehensive income/(loss) for the financial year		15,364,378	14,017,854	(489,241)	1,862,652
Profit/(loss) attributable to:					
Owners of the Company		13,581,849	13,148,135	(489,241)	1,862,652
Non-controlling interests		1,709,043	806,248	-	-
		15,290,892	13,954,383	(489,241)	1,862,652
Total comprehensive income/(loss) attributable to:					
Owners of the Company		13,655,335	13,211,606	(489,241)	1,862,652
Non-controlling interests		1,709,043	806,248	-	-
		15,364,378	14,017,854	(489,241)	1,862,652
Earning Per Share (Sen)	26	5.0	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 2013

	Attributable to owners of the Company								
	Non-distributable					Distributable			
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Translation Reserve RM	Reverse Acquisition Reserve 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)	-	-	-	-	-	(1,295,000)	(1,295,000)	-	(1,295,000)
Realisation of revaluation reserve	-	-	(69,976)	-	-	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
Acquisition of subsidiaries	-	-	-	-	-	-	-	147,037	147,037
Private placement	2,590,000	9,583,000	-	-	-	-	12,173,000	-	12,173,000
Share issuance expenses	-	(535,521)	-	-	-	-	(535,521)	-	(535,521)
Dividends (Note 27)	-	-	-	-	-	(1,295,000)	(1,295,000)	-	(1,295,000)
Realisation of revaluation reserve	-	-	(69,976)	-	-	73,486	3,510	-	3,510
Foreign currency translation	-	-	-	(11,037)	-	-	(11,037)	-	(11,037)
Total comprehensive income for the financial year	-	-	-	-	-	13,581,849	13,581,849	1,709,043	15,290,892
At 31 December 2013	28,490,000	26,739,424	3,279,567	(25,667)	(17,007,122)	38,258,435	79,734,637	3,934,263	83,668,900

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	Attributable to owners of the Company			
	Non-distributable		Distributable	
	Share Capital RM	Share Premium RM	Retained (Earnings/ losses) RM	Accumulated Total RM
Company				
At 1 January 2012	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
Share issuance 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
Private placement	2,590,000	9,583,000	-	12,173,000
Share issuance expenses	-	(535,521)	-	(535,521)
Dividends (Note 27)	-	-	(1,295,000)	(1,295,000)
Total comprehensive income for the financial year	-	-	(489,241)	(489,241)
At 31 December 2013	28,490,000	26,739,424	(1,823,713)	53,405,711

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit/(loss) before taxation	21,158,782	19,043,167	(524,012)	1,899,965
Adjustments for :				
Gain on disposal of property, plant and equipment	(91,082)	(1,133)	-	-
Depreciation	2,030,238	1,393,177	-	-
Dividend income	-	-	-	(1,900,001)
Goodwill written off	1,110	12,936	-	-
Unrealised loss/(gain) on foreign currency exchange	39,441	(50,015)	-	-
Interest income	(219,711)	(299,589)	-	(158,353)
Interest expenses	3,069,367	2,261,061	-	-
	25,988,145	22,359,604	(524,012)	(158,389)
Changes In Working Capital:				
Inventories	(5,097,958)	(4,242,890)	-	-
Receivables	(5,427,973)	(29,931,169)	(10,600)	(1,000)
Payables	11,151,963	7,090,158	71,320	(559,297)
Amount due from/to contract customers	(4,242,716)	(214,585)	-	-
	22,371,461	(4,938,882)	(463,292)	(718,686)
Tax paid	(6,001,622)	(3,445,576)	(2,542)	-
Tax refund	4,718	8,225	-	-
Interests received	219,711	299,589	-	158,353
Interests paid	(97,626)	(146,029)	-	-
Net Operating Cash Flows	16,496,642	(8,222,673)	(465,834)	(560,333)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from disposal of property, plant and equipment	128,838	2,600	-	-
Purchase of property, plant and equipment (Note A)	(34,271,452)	(6,572,035)	-	-
Net cash inflow from reverse acquisition (Note B)	-	2	-	-
Net cash inflow/(outflow) on acquisition of a subsidiary (Note C)	11,530	(29,622)	(982,317)	-
Net Investing Cash Flows	(34,131,084)	(6,599,055)	(982,317)	-

STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITES:				
Interests paid	(2,971,741)	(2,115,032)	-	-
Dividend paid	(1,295,000)	(1,295,000)	(1,295,000)	(1,295,000)
Dividend income received from a subsidiary	-	-	-	1,900,001
Deposits held for security values	(100,590)	(6,665,699)	-	-
Advance to subsidiaries	-	-	(16,658,378)	(16,436,574)
Share issuance expenses	(535,521)	(1,808,055)	(535,521)	(1,808,055)
Net proceeds from issuance of ordinary shares	12,173,000	27,000,000	12,173,000	27,000,000
Net proceeds from issuance of ordinary shares to non-controlling interest	147,037	24,500	-	-
Drawdown of short term borrowings	10,547,049	182,925	-	-
Repayment to hire purchase payables	(830,930)	(841,242)	-	-
Drawdown of term loans	69,215,230	36,002,764	-	-
Repayment to term loans	(62,481,905)	(34,718,994)	-	-
Net Financing Cash Flows	23,866,629	15,766,167	(6,315,899)	9,360,372
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,232,187	944,439	(7,764,050)	8,800,039
Effect of exchange rate changes in cash and cash equivalents	(15,181)	(10,609)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	11,938,190	11,004,360	8,800,041	2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	18,155,196	11,938,190	1,035,991	8,800,041
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	16,694,644	11,473,384	30,040	8,335,234
Deposits placed with licensed banks	8,226,841	7,130,505	1,005,951	464,807
	24,921,485	18,603,889	1,035,991	8,800,041
Less: Deposits held as security values	(6,766,289)	(6,665,699)	-	-
	18,155,196	11,938,190	1,035,991	8,800,041

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2013 RM	2012 RM
Purchase of property, plant and equipment	35,008,952	21,713,962
Financed by hire purchase arrangements	(737,500)	(841,927)
Financed by term loan arrangements	-	(14,300,000)
Cash payments on purchase of property, plant and equipment	34,271,452	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 via 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 became a wholly-owned subsidiary company of the Company.

	Group 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)
	2

STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

C. EFFECTS ON ACQUISITION OF SUBSIDIARIES

Group

(i) Effects on acquisition of Milab Marketing Sdn. Bhd. ("Milab")

	Group 2013 RM
Cash and bank balances	243,745
Trade and other payables	(12,640)
Net identifiable assets	231,105
Goodwill written off	1,110
Total purchase consideration	232,215
Less: Cash and cash equivalent of Milab	(243,745)
Cash inflow on acquisition	(11,530)

On 14 August 2013, the Company had acquired 100% of the issued and paid up capital of Milab. The subsidiary was acquired through a total cash consideration of RM232,215/-.

(ii) Effects on acquisition of Smartbean Systems Sdn. Bhd. ("Smartbean")

	Group 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 inflow on acquisition	29,622

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

C. EFFECTS ON ACQUISITION OF SUBSIDIARIES (cont'd)

Group

(ii) Effects on acquisition of Smartbean Systems Sdn. Bhd. ("Smartbean")(Continued)

On 23 October 2012, OCKSE had acquired 51% of the issued paid up capital of Smartbean. The subsidiary was acquired through a total cash consideration of RM127,000/-.

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

(iii) Effects on acquisition of Fortress Pte. Ltd. ("Fortress")

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

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

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, 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 11th April 2014.

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 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 reported period. It also requires the 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>New MFRSs</u>

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

<u>Revised MFRSs</u>

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

<u>Amendments/Improvements to MFRSs</u>

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

<u>New IC Int</u>

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

<u>Amendments to IC Int</u>

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

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 controlled entities and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement.*

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.

The Group adopted MFRS 10 in the current financial year. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

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. As a result of the guidance in MFRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS 13 has not materially impacted the fair value measurements of the Group. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 4.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments to MFRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

MFRS 128 Investments in Associates and Joint Ventures (Revised)

MFRS 128 (Revised) incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised standard exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds, unit trusts and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement.*

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 requires first-time adopters to apply the requirements MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Entities may choose to apply the requirements of MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 to any government loans originated before the date of transition to MFRSs retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give the first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.

Amendments to MFRS 1 also clarifies that an entity that has applied MFRSs or IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with MFRSs or IFRSs, has the option to apply this MFRS 1 or apply MFRSs retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as if it had never stopped applying MFRSs or IFRSs.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 addresses disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 10 clarifies that the date of initial application is the beginning of the annual reporting period for which this MFRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of MFRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying MFRS 10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors to the annual period immediately preceding the date of initial application. A similar relief is also provided in MFRS 11 and MFRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that MFRS 12 is applied.

If, upon applying MFRS 10, an entity conclude that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendments also clarify that an entity can apply the earlier versions of MFRS 3 Business Combinations and MFRS 127.

These amendments are not expected to have any significant impact on the financial results and position of the Group and the Company.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 Income Taxes.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New 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 MFRS, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRS		
MFRS 9	Financial Instruments	To be announced by the MASB
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 21	Levies	1 January 2014

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new 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.

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 9 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements. The MFRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the Amendments, an entity is now allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in MFRS 9. This change in accounting would mean that gains caused by a worsening in the entity's own credit risk on such liabilities are no longer recognised in profit or loss. The Amendments will facilitate earlier application of this long-awaited improvement to financial reporting.

The Amendments also remove the mandatory effective date from MFRS 9.

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 clarify the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

Amendments to MFRS 116 and MFRS 138 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and

- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 do not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies

The accounting policies set out below have been 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

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, controls exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial year, potential voting rights are considered when assessing control when such rights are considered when assessing control when such right are presently exercisable.

- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transition provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

(ii) Business combination

Business combination is accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(a) Basis of Consolidation (cont'd)

(ii) Business combination (cont'd)

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, 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.

(iii) Acquisition of non-controlling interests

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 interest holders. 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 reserves.

(iv) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interest have a deficit balances.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(a) Basis of Consolidation (cont'd)

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

(b) 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(f).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment and Depreciation (cont'd)

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 equipment	33 1/3%
Office equipment	10% to 20%
Motor vehicles	20%
Renovation	10%
Engineering equipment	20%
Network facilities	4%
Plant and machinery	4% and 20%

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.

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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(c) Construction Contracts (cont'd)

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.

(d) 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.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(e) Financial Assets (cont'd)

(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 Group and the Company's right to receive payment is established.

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 Group and the Company commits to purchase or sell the asset.

(f) 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(f) Impairment of Assets (cont'd)

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

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(f) Impairment of Assets (cont'd)

(ii) Impairment of Non-Financial Assets (cont'd)

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.

(g) 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 MFRS 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(g) Financial Liabilities (cont'd)

(ii) Other financial liabilities (cont'd)

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.

(h) 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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(i) Leases (cont'd)

(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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(k) Taxation (cont'd)

(ii) Deferred tax (cont'd)

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.

(l) 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(c).

(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.

(m) 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
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(n) 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.

(o) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(o) Foreign Currencies (cont'd)

(ii) Foreign currency transactions (cont'd)

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.

(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 recognised 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.

(p) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Significant Accounting Policies (cont'd)

(q) 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.

(r) Fair value measurements

From 1 January 2013, the Group adopted MFRS 13, Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(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:-

<u>Impairment of investment in subsidiaries and recoverability of amount due from subsidiaries</u>

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.

<u>Impairment of property, plant and equipment</u>

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.

<u>Useful lives of property, plant and equipment</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

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.

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.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings	Leasehold land and buildings	Furniture and fittings	Computer and software equipments	Office equipment	Motor vehicles	Renovation	Engineering equipments	Network facilities	Plant and Machinery	Capital work in progress	Total
	|---------At Valuation---------|		|--At Cost								--|	
Cost / Valuation	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**		**RM**	**RM**
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
Additions	1,260,000	-	28,109	802,542	9,177	889,185	92,990	1,260,338	9,098,234	14,548,123	7,020,254	35,008,952
Reclassifications	-	-	-	-	-	-	-	-	5,345,575	-	(5,345,575)	-
Disposals	-	-	-	(4,000)	-	(172,000)	-	(17,372)	-	-	-	(193, 372)
At 31 December 2013	23,400,000	3,790,000	262,553	2,209,026	765,611	4,765,981	176,501	3,154,519	16,680,787	14,548,123	5,296,214	75,049,315
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
Depreciation for the financial year	255,975	63,342	26,691	204,385	78,157	537,843	9,826	440,368	248,049	165,602	-	2,030,238
Disposals	-	-	-	(1,222)	-	(151,933)	-	(2,461)	-	-	-	(155,616)
Foreign exchange translation adjustment	-	-	(502)	(3,642)	-	-	-	-	-	-	-	(4 ,144)
At 31 December 2013	463,702	137,242	129,372	1,290,998	388,514	2,873,994	44,422	1,100,544	255,102	165,602	-	6,849,492
Carrying amount												
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
At 31 December 2013	22,936,298	3,652,758	133,181	918,028	377,097	1,891,987	132,079	2,053,975	16,425,685	14,382,521	5,296,214	68,199,823

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	Group 2013 RM	Group 2012 RM
Equipments	814,411	772,215
Motor vehicles	1,497,174	1,502,467
	2,311,585	2,274,682

(b) Included in freehold land and buildings is a land with net book value of RM1,260,000/- (2012: Nil) which was held in trust by a director of the Group.

(c) 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 2013 RM	Group 2012 RM
Freehold land and buildings	22,936,298	21,932,273
Leasehold land and buildings	3,652,758	3,716,100
	26,589,056	25,648,373

(d) 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 buildings were measured using the cost model, the carrying amount would be as follows:-

	Group 2013 RM	Group 2012 RM
Freehold land and buildings		
Cost	6,200,000	6,200,000
Accumulated depreciation	(827,727)	(703,727)
Net carrying value	5,372,273	5,496,273
Leasehold land and buildings		
Cost	2,425,160	2,425,160
Accumulated depreciation	(239,477)	(196,897)
Net carrying value	2,185,683	2,228,263

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(e) Fair value information

Fair value of the land and buildings are categorised as follows:

	2013			
	Level 1	Level 2	Level 3	Total
Group				
Freehold land and buildings	-	23,400,000	-	23,400,000
Leasehold land and buildings	-	3,790,000	-	3,790,000
	-	27,190,000	-	27,190,000

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

Transfer between level 1 and level 2 fair values.

There is no transfer between level 1 and 2 fair values during the financial year

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

5. INVESTMENTS IN SUBSIDIARIES

	2013 RM	2012 RM
Unquoted shares, at cost	19,382,315	18,399,998

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

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 2013 %	2012 %	Principal activities
Direct subsidiary:-				
Milab Marketing Sdn. Bhd. ("Milab") *	Malaysia	100	-	Provision of renewable energy and power solutions
OCK International Sdn. Bhd. ("OCKINT") *	Malaysia	100	-	Investment holding
OCK Setia Engineering Sdn. Bhd. ("OCKSE")	Malaysia	100	100	Engaged in the provision of turnkey telecommunications network services
OCK Ventures Sdn. Bhd. ("OCKV") *	Malaysia	100	-	Investment holding and general trading
Subsidiaries of OCKINT:-				
OCK Phnom Penh Pte. Ltd. ("OCKPP") *	The Kingdom of Cambodia	100	-	Provision consultants, deployment advisory and services relating to telecommunication network services
Subsidiaries of OCKV:-				
OCK Industries Sdn. Bhd. ("OCKIND") *	Malaysia	65	-	Provision of engineering services and general trading
Subsidiaries of OCKSE:-				
OCK M & E Sdn. Bhd. ("OCKME")	Malaysia	100	100	Provision of mechanical and electrical engineering services
Delicom Sdn. Bhd. ("Delicom")	Malaysia	100	100	Provision of telecommunications network services focusing on network deployment services
Dynasynergy Services Sdn. Bhd. ("DSSB") *	Malaysia	51	-	Provision of operations, engineering and maintenance services in telecommunications sector and other sectors

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiaries	Country of Incorporation	Effective Equity Interest Held 2013 %	2012 %	Principal Activities
Subsidiaries of OCKSE (Continued):-				
Fortress Pte. Ltd. ("Fortress") ^	Singapore	100	100	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support
Firatel Sdn. Bhd. ("Firatel")	Malaysia	61	61	Trading of telecommunications network equipment and materials
EI Power Technologies Sdn. Bhd. ("EIPT")	Malaysia	52	52	Provision of green energy and power solutions
OCK Yangon Pte. Ltd. ("OCKYangon") *	Myanmar	99	-	Provision consultants, deployment advisory and services relating to telecommunication network services
Steadcom Sdn. Bhd. ("Steadcom")	Malaysia	51	51	Provision of telecommunications network services, primarily focusing on network planning, design and optimisation
Smartbean Systems Sdn. Bhd. ("Smartbean") #	Malaysia	51	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
Subsidiaries of Fortress:-				
Fortress Distribution Sdn. Bhd. ("Fortress Distribution")	Malaysia	100	100	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

* Milab Marketing Sdn. Bhd.
On 14 August 2013, the Company acquired 250,000 ordinary shares of RM1 each of Milab Marketing Sdn. Bhd. ("Milab"), representing 100% of the total equity interest in Milab for a total cash consideration of RM232,215. Milab became a wholly-owned subsidiary of the Company.

OCK International Sdn. Bhd.
On 25 March 2013, the Company subscribed for 99 ordinary shares of RM1 each of OCK International Sdn. Bhd. ("OCKINT"), representing 99% of the total equity interest in OCKINT for a total cash consideration of RM99. Subsequently on 28 March 2013, the Company acquired 1 ordinary share of RM1 each of OCKINT, representing 1% of the total equity interest in OCKINT for a total cash consideration of RM1. OCKINT became a wholly-owned subsidiary of the Company.

OCK Ventures Sdn. Bhd.
On 16 July 2013, the Company acquired 2 ordinary shares of RM1 each of OCK Ventures Sdn. Bhd. ("OCKV"), representing 100% of the total equity interest in OCKV for a total cash consideration of RM2. OCKV became a wholly-owned subsidiary of the Company.

OCK Phnom Penh Pte. Ltd.
On 13 August 2013, OCK International Sdn. Bhd. ("OCKINT"), a wholly-owned subsidiary of the Company, received the Certificate of Incorporation dated 31 July 2013 issued by the Ministry of Commerce of the Government of the Kingdom of Cambodia for the establishment of OCK Phnom Penh Pte. Ltd. ("OCKPP") as a foreign investment enterprise in The Kingdom of Cambodia.

OCKPP is established as a wholly-owned subsidiary of OCK International with a registered capital of 400,000,000 Riels which is divided into 1,000 shares each with a par value of 400,000 Riels (equivalent to USD100,000 divided into 1,000 shares of USD100 each).

As there is no paid-up capital requirement set by Cambodia Law, OCKPP can operate the business legally with the registered capital. There is no time-frame for OCKPP to have a paid-up capital.

OCK Industries Sdn. Bhd.
On 18 July 2013, OCK Ventures Sdn. Bhd. ("OCKV"), a wholly-owned subsidiary of the Company, acquired 65 ordinary shares of OCK Industries Sdn. Bhd. ("OCKIND"), representing 65% of the total equity interest in OCKIND for a total cash consideration of RM65. OCKIND became an indirect subsidiary of the Company.

Dynasynergy Services Sdn. Bhd.
On 30 July 2013, OCK Setia Engineering Sdn. Bhd. (OCKSE"), a wholly-owned subsidiary of the Company, subscribed for 153,000 ordinary shares of RM1 each of Dynasynergy Services Sdn. Bhd. ("DSSB"), representing 51% of the total equity interest in DSSB for a total cash consideration of RM153,000. DSSB became an indirect subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

* OCK Yangon Pte. Ltd

On 12 July 2013, OCK Setia Engineering Sdn. Bhd. ("OCKSE"), a wholly-owned subsidiary of the Company, received the Final Business Licence issued by the Ministry of National Planning and Economic Development of the Government of the Republic of the Union of Myanmar for the establishment of OCK Yangon Pte. Ltd ("OCK Yangon") as a foreign investment enterprise in The Republic of the Union of Myanmar.

OCK Yangon is established with a registered capital of Myanmar Kyat ("Ks.") 100,000,000 divided into 100,000 shares of Ks.1,000 each. The issued and paid-up share capital of OCK Yangon as at date of its incorporation is Ks.23,925,000 comprising of 23,925 shares of Ks.1,000 each.

OCKSE subscribed for 23,924 shares of Ks.1,000 each of OCK Yangon, representing 99.99% of the total equity interest in OCK Yangon for a total cash consideration of Ks.23,924,000.

^ Not audited by Messrs. Baker Tilly Monteiro Heng.

Subsequent to reporting date, on 14 March 2014, OCK Setia Engineering Sdn. Bhd. ("OCKSE"), a wholly-owned subsidiary of the Company, disposed of 153,000 ordinary shares of RM1 each, representing its 51% equity interest in Smartbean Systems Sdn. Bhd ("Smartbean") for a total cash consideration of RM78,030. Following the disposal, Smartbean will cease to be a subsidiary of OCKSE, and will therefore cease to be an indirect subsidiary of the Company.

Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	OCKIND	DSSB	Firatel	EIPT	Steadcom	Smartbean	Total
2013							
NCI Percentage of ownership interest and voting interest	35%	49%	39%	48%	49%	49%	
Carrying amount of NCI (RM)	(13,351)	260,170	1,054,114	1,981,890	588,563	62,877	3,934,263
(Loss)/Profit allocated to NCI (RM)	(13,387)	113,169	344,990	1,095,904	249,353	(80,986)	1,709,043
2012							
NCI Percentage of ownership interest and voting interest	-	-	39%	48%	49%	49%	
Carrying amount of NCI (RM)	-	-	709,124	885,986	339,210	143,863	2,078,183
Profit allocated to NCI (RM)	-	-	268,565	267,516	260,876	9,291	806,248

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

	OCKIND RM	DSSB RM	Firatel RM	EIPT RM	Steadcom RM	Smartbean RM
2013						
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets	-	3,082	536,248	651,402	779,521	69,729
Current assets	1,100	2,382,186	3,064,829	17,858,541	4,419,557	180,255
Non-current liabilities	-	-	(609)	(360,062)	(114,158)	(7,006)
Current liabilities	(39,248)	(1,854,311)	(897,611)	(14,020,943)	(3,883,773)	(89,298)
Net assets	(38,148)	530,957	2,702,857	4,128,938	1,201,147	153,680
Year ended 31 December						
Revenue	-	2,171,509	7,161,407	42,962,172	5,542,665	568,769
(Loss)/profit for the year	(38,248)	230,957	884,590	2,283,134	508,881	(165,280)
Total comprehensive (loss)/income	(38,248)	230,957	884,590	2,283,134	508,881	(165,280)
Cash flows from operating activities	(34,558)	(566,780)	1,022,321	413,337	(2,154,543)	(161,694)
Cash flows from investing activities	-	(3,347)	(544,706)	(491,379)	(663,644)	(4,543)
Cash flows from financing activities	35,658	851,331	(620,383)	4,598,226	2,912,768	57,665
Net increase in cash and cash equivalents	1,100	281,204	(142,768)	4,520,184	94,581	(108,572)
Dividends paid to NCI	-	-	-	-	-	-
2012						
Summarised financial information before intra-group elimination						
As at 31 December						
Non-current assets			2,436	302,949	265,879	77,215
Current assets			2,774,902	7,195,043	1,665,855	368,972
Non-current liabilities			(609)	(47,982)	(41,701)	(7,006)
Current liabilities			(958,460)	(5,604,206)	(1,197,768)	(120,221)
Net assets			1,818,269	1,845,804	692,265	318,960
Year ended 31 December						
Revenue			6,513,239	19,581,541	6,331,877	521,320
(Loss)/profit for the year			688,629	557,325	532,400	18,961
Total comprehensive (loss)/income			688,629	557,326	532,400	18,961
Cash flows from operating activities			1,505,413	33,229	408,912	(65,593)
Cash flows from investing activities			-	(44,500)	(156,631)	(81,976)
Cash flows from financing activities			(1,127,453)	(42,926)	(217,590)	299,998
Net increase in cash and cash equivalents			377,960	(54,197)	34,691	152,429
Dividends paid to NCI			-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

6. INVENTORIES

	Group	
	2013	2012
	RM	RM
Raw materials	1,618,548	2,375,153
Work-in-progress	16,152,354	10,326,013
Finished goods	429,860	401,638
	18,200,762	13,102,804
Recognised in profit or loss:		
Inventories recognised as cost of sales	18,761,723	22,106,844

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Trade receivables	48,861,844	49,186,696	-	-
Retention sum	2,003,089	1,573,845	-	-
Less: Allowance for impairment	(268,846)	(268,846)	-	-
Total trade receivables	50,596,087	50,491,695	-	-
Other receivables	969,455	525,692	-	-
Advances to sub-contractors	7,312,855	5,862,089	-	-
Deposits	2,603,420	416,127	11,600	1,000
Prepayments	4,077,447	2,835,688	-	-
Amount due from subsidiaries	-	-	33,094,952	16,436,574
Total trade and other receivables	65,559,264	60,131,291	33,106,552	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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

7. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group	
	2013	**2012**
	RM	**RM**
Singapore Dollar	656,184	143,889
United States Dollar	60,236	2,998,431
Ringgit Malaysia	49,879,667	47,349,375
	50,596,087	50,491,695

Group

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

	Group	
	2013	**2012**
	RM	**RM**
Neither past due nor impaired	36,584,402	47,304,937
1 to 30 days past due not impaired	4,861,582	1,759,737
31 to 60 days past due not impaired	3,244,677	338,282
61 to 90 days past due not impaired	3,510,711	780,934
91 to 120 days past due not impaired	1,609,914	55,174
More than 121 days past due not impaired	1,053,647	521,477
	14,280,531	3,455,604
Impaired	(268,846)	(268,846)
	50,596,087	50,491,696

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 RM14,011,685/- (2012: 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

7. TRADE AND OTHER RECEIVABLES (cont'd)

Group

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	
	2013	**2012**
	RM	**RM**
Individually impaired		
Trade receivables - nominal amounts	268,846	268,846
Less: Allowance for impairment	(268,846)	(268,846)
	-	-

Advances to a sub-contractor

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

Company

Amount due from subsidiaries

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

8. AMOUNT DUE FROM/ (TO) CONTRACT CUSTOMERS

	Group	
	2013	**2012**
	RM	**RM**
Aggregate costs incurred to date	22,712,365	12,874,502
Recognised profit less recognised losses	32,112,808	3,193,231
	54,825,173	16,067,733
Progress billings	(48,843,764)	(14,329,040)
Net amount from/(to) contract customers	5,981,409	1,738,693
Amount due from contract customers included in current assets	6,183,414	1,928,789
Amount due to contract customers included in current liabilities	(202,005)	(190,096)
	5,981,409	1,738,693

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

8. AMOUNT DUE FROM/ (TO) CONTRACT CUSTOMERS (cont'd)

	Group 2013 RM	Group 2012 RM
Construction contract costs recognised as contract expenses during the financial year	31,574,510	7,675,439
Construction contract revenue recognised as contract revenue during the financial year	38,771,847	9,538,566

9. DEPOSITS PLACED WITH LICENSED BANKS

Group

Deposits placed with licensed banks amounting of RM6,766,289/- (2012: 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% (2012: 2.60% to 3.20%) per annum.

10. CASH AND BANK BALANCES

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Singapore Dollar	11,668	97,997	-	-
United States Dollar	962,942	40,913	-	-
Ringgit Malaysia	15,720,034	11,334,474	30,040	8,335,234
	16,694,644	11,473,384	30,040	8,335,234

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

11. SHARE CAPITAL

	Group and Company			
	2013		2012	
	Number of Shares	RM	Number of Shares	RM
Ordinary shares RM0.10/- each:-				
Authorised				
At the beginning of the financial year	500,000,000	50,000,000	1,000,000	100,000
Created during the financial year	-	-	499,000,000	49,900,000
At the end of the financial year	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid:-				
At the beginning of the financial year	259,000,000	25,900,000	20	2
Issued for acquisition of subsidiary	-	-	183,999,980	18,399,998
Private placement	25,900,000	2,590,000	75,000,000	7,500,000
At the end of the financial year	284,900,000	28,490,000	259,000,000	25,900,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

12. SHARE PREMIUM

	Group and Company	
	2013	2012
	RM	RM
At the beginning of the financial year	17,691,945	-
Issuance of shares	9,583,000	19,500,000
Share issuance expenses	(535,521)	(1,808,055)
At the end of the financial year	26,739,424	17,691,945

Share premium comprises the premium paid on subscription of shares of the Company over and above the par value of the shares.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

14. REVALUATION RESERVE

	Group 2013 RM	Group 2012 RM
At the beginning of the financial year	3,349,543	-
Arising from acquisition of subsidiary	-	3,419,519
Less: Realisation of reserve	(69,976)	(69,976)
At the end of the financial year	3,279,567	3,349,543

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

15. REVERSE ACQUISITION RESERVE

	Group 2013 RM	Group 2012 RM
Total issued equity of the Company for the acquisition	17,007,122	18,399,998
Less:		
Issued equity of the subsidiary acquired	-	(2,000,002)
Pre-acquisition reserve	-	607,126
Reverse acquisition reserve	17,007,122	17,007,122

16. LOANS AND BORROWINGS

	Group 2013 RM	Group 2012 RM
Current		
Short term borrowings		
- Bankers' acceptance	14,946,649	52,559
- Trust receipts	11,399	4,358,440
- Revolving projects loan	23,809,308	19,325,734
Bonds - unsecured	440,000	-
Hire purchase payables (Note 17)	550,976	712,365
Term loans - secured (Note 18)	1,165,942	834,555
	40,924,274	25,283,653

16. LOANS AND BORROWINGS (cont'd)

	Group	
	2013	2012
	RM	RM
Non-current		
Bonds - unsecured	2,787,000	-
Hire purchase payables (Note 17)	1,017,762	949,803
Term loans - secured (Note 18)	15,706,771	17,015,407
	19,511,533	17,965,210
Total loans and borrowings	60,435,807	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% (2012: 0.75% to 2.00%) above the bank's base lending rate. The bankers' acceptance bears interest ranges from 0.75% to 1.75% (2012: 0.75% to 2.00%) per annum acceptance commission.

The Group has revolving project loans facilities amounted to RM40 million. An amount of RM20 million had expired on 28 January 2013 and was extended to 31 January 2016.

The revolving project loans are 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 contracts 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;
e) Joint and several guarantee for the whole facility from certain directors, namely Ooi Chin Khoon and Abdul Halim Bin Abdul Hamid; and
f) Deed of Assignment of all contract proceeds/receivables for the contracts/transactions financed by the bank.

The revolving projects loan bear interest at the rates ranging from 7% to 8% (2012: 7% to 8%) per annum.

On 28 November 2013, the Company had entered into an agreement to issue 3,227,000 6-year Sukuk Murabahah bonds ("Sukuk") which bears interest at 8.2% per annum payable semi-annually in arrears, calculated in respect of the period commencing from the date of issue of the Sukuk on 5 December 2013.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

17. HIRE PURCHASE PAYABLES

	Group 2013 RM	Group 2012 RM
Future minimum hire purchase payments		
- not later than one year	616,092	774,132
- later than one year but not later than five years	1,014,411	1,024,262
- more than five years	77,211	-
	1,707,714	1,798,394
Less: Future finance charges	(138,975)	(136,226)
	1,568,739	1,662,168
Represented by :		
Current liabilities (Note 16)		
- not later than one year	550,976	712,365
Non-current liabilities (Note 16)		
- later than one year but not later than five years	942,854	949,803
- more than five years	74,909	-
	1,568,739	1,662,168

The hire purchase payables bear interests at the rates ranging from 3.30% to 5.83% (2012: 3.33% to 6.44%) per annum.

18. TERM LOANS - SECURED

	Group 2013 RM	Group 2012 RM
Current liabilities (Note 16)		
- within the next twelve months	1,165,942	834,555
Non-current liabilities (Note 16)		
- later than one year but not later than five years	4,950,720	3,797,241
- more than five years	10,756,051	13,218,166
	15,706,771	17,015,407
Total bank loans - secured	16,872,713	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% (2012: 4.30% to 4.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

19. DEFERRED TAX LIABILITIES

	Group	
	2013 RM	2012 RM
Deferred tax liabilities		
At the beginning of the financial year	437,884	-
Acquisition of subsidiaries	-	339,264
Recognised in profit or loss		
- current year	539,585	228,374
- over accrual in prior year	(36,869)	(126,244)
Transferred to revaluation reserves	(3,510)	(3,510)
At the end of the financial year	937,090	437,884
Representing the tax effect of:		
Temporary differences between net book values and corresponding tax written down values	779,488	276,772
Revaluation surplus on properties	157,602	161,112
	937,090	437,884

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current				
Trade payables	23,469,298	17,349,276	-	-
Retention sum	505,129	392,452	-	-
Total trade payables	23,974,427	17,741,728	-	-
Other payables	6,250,498	58,280	86,647	14,827
Accruals	3,660,168	5,611,686	32,500	33,000
Deposits	956,329	276,829	-	-
Amount due to directors of subsidiaries	539,052	490,052	-	-
Amount due to directors of related companies	2,145	-	-	-
	11,408,192	6,436,847	119,147	47,827
Total trade and other payables	35,382,619	24,178,575	119,147	47,827

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20. TRADE AND OTHER PAYABLES (cont'd)

Group

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 60 (2012 : 30 to 60) days.

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

	Group	
	2013	**2012**
	RM	**RM**
Singapore Dollar	-	2,223,966
US Dollar	1,974,340	501,167
Ringgit Malaysia	22,000,087	15,016,595
	23,974,427	17,741,728

Amount due to directors of subsidiaries

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

Amount due to directors of related companies

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

21. REVENUE

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Telecommunication network services	85,775,898	98,587,051	-	-
Green energy and power solutions	42,922,803	18,798,700	-	-
Sales of goods	10,602,387	11,677,900	-	-
Contract income	12,740,024	9,538,566	-	-
Dividend income	-	-	-	1,900,001
	152,041,112	138,602,217	-	1,900,001

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

22. COST OF SALES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Telecommunication network costs	55,142,899	69,092,462	-	-
Green energy and power solutions costs	37,747,482	17,155,784	-	-
Costs of good sold	8,726,225	9,213,965	-	-
Contract costs	11,320,788	7,675,439	-	-
	112,937,394	103,137,650	-	-

23. FINANCE COSTS

	Group	
	2013 RM	2012 RM
Interest expenses		
Bank overdrafts	97,626	146,029
Trade financing costs	60,372	289,110
Hire purchase payables	89,675	84,294
Term loans - secured	899,538	191,382
Revolving project loan	1,922,156	1,545,562
Others	-	4,684
	3,069,367	2,261,061

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

24. PROFIT/ (LOSS) BEFORE TAXATION

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
After charging:-				
Audit fee				
- current year	213,100	135,000	30,000	30,000
- prior year	8,830	22,530	9,000	-
Depreciation	2,030,238	1,393,177	-	-
Directors' remuneration:				
Salaries, allowance and bonuses	2,222,228	1,753,405	111,000	7,000
Other emoluments	265,631	215,723	-	-
Fees	111,000	36,000	33,500	36,000
Goodwill written off	1,110	12,936	-	-
Loss on foreign exchange rate (realised)	87,914	30,907	-	706
Loss on foreign exchange rate (unrealised)	39,441	7,036	-	-
Rental of premises	495,545	548,340	-	-
Rental of vehicles	109,202	119,245	-	-
Staff costs:				
Salaries, allowance and bonus	22,872,545	9,190,451	-	-
Employees Provident Fund and SOCSO	2,384,159	1,227,755	-	-
Other staff costs	361,310	434,482	-	-
and crediting:-				
Dividend income	-	-	-	1,900,001
Interest income	219,711	299,589	41,144	158,353
Gain on disposal of property, plant and equipment	91,082	1,133	-	-
Gain on exchange rate (realised)	-	77,907	-	-
Gain on exchange rate (unrealised)	-	57,051	-	-
Rental income	1,519,129	761,484	75,600	-
Rental income (vehicles)	102,000	-	-	-
Rental income (equipment)	-	116,580	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

25. TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Income tax				
- Current year	(5,296,731)	(4,900,846)	-	(37,313)
- Prior year	(68,442)	(85,808)	34,771	-
Deferred tax				
- Current year	(539,586)	(228,374)	-	-
- Prior year	36,869	126,244	-	-
	(5,867,890)	(5,088,784)	34,771	(37,313)
Deferred tax related to other comprehensive income				
- Surplus on revaluation of land and building	3,510	3,510	-	-

Income tax is calculated at the statutory rate of 25% (2012: 25%) of the estimated taxable profit/(loss) for the financial year.

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	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit/(loss) before taxation	21,158,782	19,043,167	(524,012)	1,899,965
Taxation at applicable statutory tax rate of 25%	(5,289,696)	(4,760,792)	131,003	(474,991)
Tax effects arising from				
- non-deductible expenses	(405,526)	(382,678)	(22,224)	(37,322)
- non-taxable income	960	14,250	-	475,000
Origination of deferred tax assets not recognised in the financial statements	(154,466)	-	(108,779)	-
Effect of tax rates in foreign jurisdiction	12,411	-	-	-
Under provision of tax in prior year	(31,573)	40,436	34,771	-
Tax expense for the financial year	(5,867,890)	(5,088,784)	34,771	(37,313)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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	
	2013	**2012**
Profit attributable to owners of the Company (RM)	13,581,849	13,148,135
Weighted average number of ordinary shares in issued (Number)	271,950,000	259,000,000
Basis earnings per share (Sen)	5.0	5.1

27. DIVIDENDS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**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
- final single-tier dividend of 0.5 sen per ordinary share	1,295,000	-	1,295,000	-

During the financial year, the Company paid a final tax exempt (single tier) dividend of 0.5 sen, on 259,000,000 ordinary shares amounting to RM1,295,000/- in respect of the financial year ended 31 December 2012. The dividend had been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2013.

28. CONTINGENT LIABILITIES

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Corporate guarantees given by the Company to secure credit facilities granted to a wholly-owned subsidiary, OCK Setia Engineering Sdn. Bhd.	-	-	50,186,690	25,690,000

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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
Dynasynergy Sdn. Bhd	A company in which a director of a subsidiary has interest
Modern Net Sdn. Bhd.	A company in which a director of a 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	
	2013 RM	2012 RM	2013 RM	2012 RM
Subsidiary				
OCK Setia Engineering Sdn. Bhd.				
Dividend income	-	-	-	(1,900,001)
Management fees	-	-	(36,000)	-
Office rental income	-	-	(75,600)	-
Utilities fees	-	-	(20,400)	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Significant Related Party Transactions (cont'd)

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Related Parties				
Dynasynergy Sdn. Bhd.				
Sales	(2,171,509)	-	-	-
Modern Net Sdn. Bhd.				
Rental income	(22,070)	(139,820)	-	-
Purchases	26,680	101,164	-	-
Labour and subcontractor cost	9,690	-	-	-
Equipment rental expenses	5,060	-	-	-
PLY Technology				
Consultancy fees	181,800	181,800	-	-
Key Management Personnel				
Ooi Chin Khoon				
Office rental expense	263,568	263,568	-	-
Quek Meu San				
Office rental expense	19,200	19,200	-	-

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

(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	
	2013 RM	2012 RM	2013 RM	2012 RM
Other key management personnel				
- short term employee benefits	1,552,679	1,060,464	-	-
- post employment benefits:				
- defined contribution plan	186,012	127,440	-	-
- benefits-in-kind	28,800	16,133	-	-
	1,767,491	1,204,037	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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, 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 **capital expenditure**

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. SEGMENTAL INFORMATION (cont'd)

(b) Measurement of Reportable Segments (cont'd)

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
2013							
Revenue							
External sales	85,775,898	42,922,803	10,602,387	12,740,024	-	-	152,041,112
Inter-segment sales	2,810,105	146,250	897,824	1,913,010	-	(5,767,189)	-
	88,586,003	43,069,053	11,500,211	14,653,034	-	(5,767,189)	152,041,112
Results							
Segment results	27,698,289	5,321,571	2,692,710	3,138,889	-	252,259	39,103,717
Unallocated expenses	-	-	-	-	-	-	(14,874,459)
Finance costs	(2,985,965)	-	-	(83,402)	-	-	(3,069,367)
Goodwill written off							(1,110)
Profit before taxation							21,158,781
Taxation							(5,867,890)
Profit after taxation							15,290,891
Assets							
Segment assets	154,836,123	29,382,232	5,113,998	14,724,921	53,530,994	(74,523,520)	183,064,748
Total assets							183,064,748
Liabilities							
Segment liabilities	114,947,455	24,103,601	2,401,693	10,304,238	132,649	(52,490,278)	99,399,358
Total liabilities							99,399,358
Other segment information							
Depreciation							2,030,238

30. SEGMENTAL INFORMATION (cont'd)

(b) Measurement of Reportable Segments (cont'd)

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
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						12,396	(12,396)
Profit before taxation							19,043,707
Taxation							(5,088,784)
Profit after taxation							13,954,923
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
(CONTINUED)

30. SEGMENTAL INFORMATION (cont'd)

(c) *Geographical Segment*

In presenting information on the basis of geographical segments, segment revenue is based on geographical locations of customers. Segments assets are based on geographical location of the assets.

Geographical information

2013	**Group**	
	Revenue RM	**Non-current assets RM**
Malaysia	148,424,955	68,086,260
Cambodia	172,030	30,743
Myanmar	-	6,366
Singapore	3,444,127	76,454
	152,041,112	68,199,823

2012

The activities of the Group are carried out 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial assets				
Trade and other receivables				
(Excluding deposits and prepayments)	58,878,397	56,879,476	33,094,952	16,436,574
Deposits placed with licensed banks	8,226,841	7,130,505	1,005,951	464,807
Cash and bank balances	16,694,644	11,473,384	30,040	8,385,234
	83,799,882	75,483,365	34,130,943	25,286,615

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial liabilities				
Trade and other payables				
(Excluding deposits and accruals)	30,766,122	18,290,060	86,647	14,827
Loans and borrowings	60,435,807	43,248,863	-	-
	91,201,929	61,538,923	86,647	14,827

(b) Fair Values of the Financial Instruments

(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 2013 that are required to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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.

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

	Group	
	2013	**2012**
	RM	**RM**
Customer A	8,969,540	13,131,550
Customer B	-	9,863,859
Customer C	4,067,207	2,056,796
Customer D	7,964,845	1,476,798
Sub-contractor	5,682,883	4,650,098

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit Risk (cont'd)

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 RM1,630,800/- (2012 : 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.

		<-------------------Undiscounted cash flows		------------------->	
	Carrying amount RM	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2013					
Group					
Trade and other payables	35,382,619	35,382,619	-	-	35,382,619
Short term borrowings	39,207,356	39,207,356	-	-	39,207,356
Bonds - unsecured	3,227,000	440,000	2,033,000	754,000	3,227,000
Hire purchase payables	1,568,739	616,092	1,014,411	77,211	1,707,714
Term loans	16,872,713	1,165,942	4,950,720	10,756,051	16,872,713
Company					
Trade and other payables	119,147	119,147	-	-	119,147
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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(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 States Dollar ("USD") and Singapore Dollar ("SGD") functional currency. 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.

(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	
	2013	**2012**
	RM	**RM**
Fixed rate instruments		
Financial assets	8,226,841	7,130,505
Financial liabilities	(1,568,739)	(1,662,168)
	6,658,102	5,468,337
Floating rate instruments		
Financial liabilities	58,867,068	41,586,695

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Interest Rate Risk (cont'd)

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 RM588,671/- (2012 : RM415,867/-) 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.

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

(a) On 14 August 2013, the Company acquired 250,000 ordinary shares of RM1 each of Milab Marketing Sdn. Bhd. ("Milab"), representing 100% of the total equity interest in Milab for a total cash consideration of RM232,215. Milab became a wholly-owned subsidiary of the Company.

(b) On 25 March 2013, the Company subscribed for 99 ordinary shares of RM1 each of OCK International Sdn. Bhd. ("OCKINT"), representing 99% of the total equity interest in OCKINT for a total cash consideration of RM99. Subsequently on 28 March 2013, the Company acquired 1 ordinary share of RM1 each of OCKINT, representing 1% of the total equity interest in OCKINT for a total cash consideration of RM1. OCKINT became a wholly-owned subsidiary of the Company.

(c) On 16 July 2013, the Company acquired 2 ordinary shares of RM1 each of OCK Ventures Sdn. Bhd. ("OCKV"), representing 100% of the total equity interest in OCKV for a total cash consideration of RM2. OCKV became a wholly-owned subsidiary of the Company.

(d) On 18 July 2013, OCK Ventures Sdn. Bhd. ("OCKV"), a wholly-owned subsidiary of the Company, acquired 65 ordinary shares of OCK Industries Sdn. Bhd. ("OCKIND"), representing 65% of the total equity interest in OCKIND for a total cash consideration of RM65. OCKIND became an indirect subsidiary of the Company.

(e) On 30 July 2013, OCK Setia Engineering Sdn. Bhd. (OCKSE"), a wholly-owned subsidiary of the Company, subscribed for 153,000 ordinary shares of RM1 each of Dynasynergy Services Sdn. Bhd. ("DSSB"), representing 51% of the total equity interest in DSSB for a total cash consideration of RM153,000. DSSB became an indirect subsidiary of the Company.

(f) On 13 August 2013, OCK International Sdn. Bhd. ("OCKINT"), a wholly-owned subsidiary of the Company, received the Certificate of Incorporation dated 31 July 2013 issued by the Ministry of Commerce of the Government of the Kingdom of Cambodia for the establishment of OCK Phnom Penh Pte. Ltd. ("OCKPP") as a foreign investment enterprise in The Kingdom of Cambodia.

OCKPP is established as a wholly-owned subsidiary of OCK International with a registered capital of 400,000,000 Riels which is divided into 1,000 shares each with a par value of 400,000 Riels (equivalent to USD100,000 divided into 1,000 shares of USD100 each).

As there is no paid-up capital requirement set by Cambodia Law, OCKPP can operate the business legally with the registered capital. There is no time-frame for OCKPP to have a paid-up capital.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

33. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR (cont'd)

(g) On 12 July 2013, OCK Setia Engineering Sdn. Bhd. ("OCKSE"), a wholly-owned subsidiary of the Company, received the Final Business Licence issued by the Ministry of National Planning and Economic Development of the Government of the Republic of the Union of Myanmar for the establishment of OCK Yangon Pte. Ltd ("OCK Yangon") as a foreign investment enterprise in The Republic of the Union of Myanmar.

OCK Yangon is established with a registered capital of Myanmar Kyat ("Ks.") 100,000,000 divided into 100,000 shares of Ks.1,000 each. The issued and paid-up share capital of OCK Yangon as at date of its incorporation is Ks.23,925,000 comprising of 23,925 shares of Ks.1,000 each.

OCKSE subscribed for 23,924 shares of Ks.1,000 each of OCK Yangon, representing 99.99% of the total equity interest in OCK Yangon for a total cash consideration of Ks.23,924,000.

(h) Subsequent to reporting date, on 14 March 2014, OCK Setia Engineering Sdn. Bhd. ("OCKSE"), a wholly-owned subsidiary of the Company, disposed off 153,000 ordinary shares of RM1 each, representing its 51% equity interest in Smartbean Systems Sdn. Bhd ("Smartbean") for a total cash consideration of RM78,030. Following the disposal, Smartbean will cease to be a subsidiary of OCKSE, and will therefore cease as to be indirect subsidiary of the Company.

(i) On 18 March 2014, OCK Ventures Sdn. Bhd. ("OCKV"), a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of Massive Connection Sdn. Bhd. ("MCSB") for a total cash consideration of RM2. Following the acquisition, MCSB became a wholly-owned indirect subsidiary of the Company.

(j) On 17 February 2014, OCK International Sdn. Bhd. ("OCKINT"), a wholly-owned subsidiary of the Company, subscribed for 510,000 ordinary shares of 1 Chinese Yuan each of Fuzhou 1-Net Solution Co. Ltd., representing 51% of the total equity interest in Fuzhou 1-Net Solution Co. Ltd. for a total consideration of 510,000 Chinese Yuan (approximately RM277,950). Following the subscription of shares, Fuzhou 1-Net Solutions Co. Ltd. became a wholly-owned indirect subsidiary of the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

34. CAPITAL MANAGEMENT (cont')

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	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Total liabilities	99,395,848	71,125,475	119,147	85,140
Equity attributable to owners of the Company	79,808,123	55,817,836	53,405,711	43,552,473
Debt-to-equity ratio	125%	127%	0.2%	0.2%

SUPPLEMENTARY INFORMATION
ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. 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 Malaysia 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 2013 are as follows:-

	Group		**Company**	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Realised	39,765,449	23,090,286	(39,472)	(607,124)
Unrealised	(1,507,014)	2,807,814	-	-
	38,258,435	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 Malaysia and should not be applied for any other purposes.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

A) Proceeds from IPO

As at 31st December 2013, the gross proceeds of RM27,000,000 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	9,900
• Repayment to Creditors and Suppliers	9,700
• Defrayment of general expenses	5,400
• Listing Expenses	2,000
	27,000
Balance of unutilised proceeds as at 31st December 2013	-

B) Proceeds from Private Placement

As at 31st December 2013, the gross proceeds of RM12,173,000 raised from the private placement of 25,900,000 new ordinary shares of RM0.10 each at an issue price of RM0.47 per ordinary shares in the share capital of the Company ("Public Issue") were utilised in the following manner:-

	RM'000
Proceeds from Private Placement	12,173
• Regional Expansion	966
• Repayment to Creditors and Suppliers	6,500
• Defrayment of general expenses	193
• Listing Expenses	480
	8,139
Balance of unutilised proceeds as at 31st December 2013	4,034

2. Share Buy-Back

The Company has not implemented any share buy-back scheme.

3. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued by the Company during the financial year ended 31 December 2013.

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 2013.

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 2013.

6. Non-Audit Fees

Non-audit fees payable to the external auditors amounted to RM 8,000.

ADDITIONAL COMPLIANCE INFORMATION
(CONTINUED)

7. **Variation in Results**
   There were no variances of 10% or more between the results for the financial year ended 31 December 2013 and the unaudited results previously announced.

8. **Profit Forecast**
   The Company did not issue any profit forecast for the financial year ended 31 December 2013.

9. **Profit Guarantee**
   The Company did not give any profit guarantee in respect of the financial year ended 31 December 2013.

10. **Material Contracts**
    There were no material contracts entered into by the Company and/or its subsidiaries during the financial year ended 31 December 2013, 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/ Built-up Area (sq ft)	Audited NBV as at 31 December 2013 RM'000	Market Value as at September 2011 RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia	**i) Title:** P.T No 366 held under Title No. H.S.(D) 292524 Mukim Pekan Hicom District of Petaling State of Selangor (formerly known as P.T Nos 629 & 630 held under Title No. H.S.(D) 63627 & 63628 respectively Mukim Damansara District of Petaling 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 and a double laburatory Rented to third party	Freehold	55,800/ 46,013	7,500	7,840	20.06.1995
	ii) 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 whilist ground floor remains unoccupied	99 years lease expiring 06.11.2102	1,765/ 5,280	1,866	1,950	18.08.2008
	iii) 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	A double storey warehouse width an annexed 3-storey office building	Freehold	46,016 46,857	14,176	14,300	25.11.1995

LIST OF PROPERTIES
(CONTINUED)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area (sq ft)	Audited NBV as at 31 December 2013 RM'000	Market Value as at September 2011 RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
	Address: No. 18, Jalan Jurunilai U1/20, HICOM Glenmarie Industril Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan						
OCK M&E	**iv) 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 1/2 semi-detached factory/ Unoccupied	99 years lease expiring 24.11.2107	8,125/ 4,043	1,787	1,840	21.09.2011
Milab	**v) Title:** P.T. No. 2422 held under Title No. H.S.(M) 15/90, Mukim Semarak Pasir Puteh, State of Kelantan	1 MWP Solar Power Plant	99 years lease expiring 17.12.2089	195,257	1,260	-	25.11.2013
	P.T. No. 6757 held under Title No. H.S.(M) 1751, Mukim Semarak Pasir Puteh, State of Kelantan **Address:** Kawasan Ltn Semarak, Tok Bali 46400, Pasir Puteh, Kelantan Darul Naim		99 years leaase expiring 15.4.2094	197,087			

ANALYSIS OF SHAREHOLDINGS
as at 14 April 2014

Authorised Share Capital	:	RM50,000,000
Issued and fully paid-up Share Capital	:	RM28,490,000
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One (1) vote per shareholder on a show of hands or one vote per ordinary shares on poll
Number of Shareholders	:	1,848

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of shares	%
Less than 100	4	0.22	200	0
100 – 1,000	196	10.60	160,200	0.06
1,001 - 10,000	983	53.19	5,677,200	1.99
10,001 - 100,000	539	29.17	18,016,000	6.32
100,001 – 14,244,999	124	6.71	84,688,600	29.73
5% and above of issued shares capital	2	0.11	176,357,800	61.90
Total	1,848	100	284,900,000	100

Substantial Shareholders

As per the Register of Substantial Shareholders

	Shareholdings		
Name	Direct	Indirect	%
Aliran Armada Sdn. Bhd.	140,215,000	-	49.22
Lembaga Tabung Angkatan Tentera	36,142,800	-	12.69
Ooi Chin Khoon	3,500,000	141,817,700*1	51.01
Abdul Halim Bin Abdul Hamid	-	140,215,000*2	49.22

Notes:-

*1 *Deemed interested by virtue of his shareholding in Aliran Armada Sdn Bhd and his Brothers, Ooi Cheng Wah's and Ooi Chin Lee's direct shareholdings in OCK Group Berhad.*

*2 *Deemed interested by virtue of his shareholding in Aliran Armada Sdn Bhd under Section 6A of the Companies Act, 1965*

Directors' Interests in Shares

As per the Register of Directors' Shareholdings

	Shareholdings			
Name	Direct	%	Indirect	%
Dato' Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Ooi Chin Khoon	3,500,000	1.23	141,817,700*1	49.78
Abdul Halim Bin Abdul Hamid	-	-	140,215,000*2	49.22
Low Hock Keong	7,360,000	2.58	1,287,000	0.45
Chang Tan Chin	4,020,000	1.41	-	-
Chong Wai Yew	3,520,000	1.24	-	-
Dato' Mohd Som Bin Ibrahim	-	-	-	-
Lee Yow Fui	-	-	-	-
Fu Lit Fung	-	-	-	-

Notes:-

*1 *Deemed interested by virtue of his shareholding in Aliran Armada Sdn Bhd and his Brothers, Ooi Cheng Wah's and Ooi Chin Lee's direct shareholdings in OCK Group Berhad.*

*2 *Deemed interested by virtue of his shareholding in Aliran Armada Sdn Bhd under Section 6A of the Companies Act, 1965*

ANALYSIS OF SHAREHOLDINGS

As At 14 April 2014 (CONTINUED)

No.	Name of Shareholders	No. of Shares Held	%
1.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Armada Sdn Bhd	140,215,000	49.22
2.	Lembaga Tabung Angkatan Tentera	36,142,800	12.69
3.	He Swee Hong	11,055,000	3.88
4.	Low Hock Keong	7,360,000	2.58
5.	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Equity Fund 2	4,798,200	1.68
6.	Chang Tan Chin	4,020,000	1.41
7.	Chong Wai Yew	3,520,000	1.24
8.	Affin Nomineees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Chin Khoon	3,500,000	1.23
9.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	3,029,000	1.06
10.	Lee Mei Siang	3,000,000	1.05
11.	Citigroup Nominess (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Asia Pacific Dynamic Income Fund	2,713,100	0.95
12.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	2,547,000	0.89
13.	Malacca Equity Nomineees (Tempatan) Sdn Bhd Exempt An for Phillip Capital Management Sdn Bhd	1,706,000	0.60
14.	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An for Phillip Capital Management Sdn Bhd	1,607,900	0.56
15.	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An for Phillip Capital Management Sdn Bhd	1,528,500	0.54
16.	Hoh Moh Ying	1,278,000	0.45
17.	Amanahraya Trustees Berhad CIMB Islamic Equity Aggressive Fund	1,271,500	0.45
18.	Affin Investment Bank Berhad For Lembaga Tabung Angkatan Tentera	1,250,800	0.43
19.	Ooi Chin Lee	1,230,000	0.43
20.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	1,098,400	0.39
21.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	1,000,000	0.35
22.	Low Kim Meng	1,000,000	0.35
23.	Yew Ah Kow	833,000	0.29
24.	Seow Foong Thean	780,000	0.27
25.	Lim Pin Liang	770,000	0.27
26.	Neoh Teik Seng	746,000	0.26
27.	Yew Siew Kin	730,000	0.26
28.	HDM Nominees (Asing) Sdn Bhd Phillip Securities Pte Ltd from Chan Sek Keong	700,000	0.25
29.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Saw Lee Leng	675,200	0.24
30.	Chong Siew Thiam	650,000	0.23
	Total	240,755,400	84.51

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of OCK GROUP BERHAD (Company No.: 955915-M) will be held at Perdana 3, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 28 May 2014 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note 1***

2. To approve the payment of Directors' fees for the financial year ended 31 December 2013. ***Resolution 1***

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

   a) Mr. Low Hock Keong ***Resolution 2***

   b) Mr. Chang Tan Chin ***Resolution 3***

   c) Mr. Chong Wai Yew ***Resolution 4***

4. To re-elect Dato' Mohd Som Bin Ibrahim, who retires by rotation pursuant to Article 105 of the Company's Articles of Association. ***Resolution 5***

5. 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 6***

SPECIAL BUSINESS:-

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

6. **ORDINARY RESOLUTION** ***Resolution 7***
   - **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
(CONTINUED)

7. **ORDINARY RESOLUTION** ***Resolution 8***

- **Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT the Company and its subsidiaries shall be mandated to enter into the category of recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations as set out in the Circular to Shareholders dated 6 May 2014 subject to the following :

(a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and

(b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year including amongst others, the following information :

(i) the type of recurrent related party transaction and;

(ii) the names of the related parties involved in each recurrent party transaction entered into and their relationship with the Company;

AND THAT such approval shall continue to be in force until :

(a) the conclusion of the next AGM of the Company; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(l) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by ordinary resolution passed by the shareholders at a General Meeting;

whichever is the earlier,

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the transactions contemplated and/or authorised by this ordinary resolution."

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.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
Company Secretary

Kuala Lumpur
Date: 6 May 2014

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

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 22 May 2014 (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 proposed Ordinary Resolution 7 is intended to renew the authority granted to the Directors of the Company at the Second Annual General Meeting of the Company held on 27 May 2013 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting.

   The general mandate granted by the shareholders at the Second Annual General Meeting of the Company held on 27 May 2013 have been utilised via a private placement exercise which have been completed on 19 August 2013 where 25,900,000 new ordinary shares of RM0.10 each have been issued. The proceeds of RM12,173.000 raised from the private placement exercise and status of the utilisation of the proceed as at 14 April 2014 are as follow:-

		RM'000
Proceeds from private placements:		*12,173*
i)	*Working capital*	
	- Expenses for regional expansion	*2,257*
	- Repayment to trade creditors and other creditors (i.e. payment for Inventories)	*6,500*
	- Defrayment of general expenses	*193*
ii)	*Listing expenses*	*480*
		9,340
Balance of unutilised proceeds as at 14th April 2014		*2,833*

   The general mandate for the 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 purpose of funding future investment, working capital and/or acquisition(s).

8. ***Ordinary Resolution 8 – Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature***

   The proposed Ordinary Resolution 8 is intended to enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on an arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

   Please refer to the Circular to Shareholders dated 6 May 2014 for further informataion.

STATEMENT ACCOMPANYING NOTICE
OF THE THIRD ANNUAL GENERAL MEETING

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

    i. Mr. Low Hock Keong
    ii. Mr. Chang Tan Chin
    iii. Mr. Chong Wai Yew
    iv. Dato' Mohd Som Bin Ibrahim

    The profiles of the Directors who are standing for re-election is set out on pages 8 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 2013 are disclosed in the Corporate Governance Statement set out on pages 21 to 29 of this Annual Report.

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

Date of Meeting	Time of Meeting	Place of Meeting
Wednesday, 28 May 2014	10.00 a.m.	Perdana 3, Bukit Jalil Golf & Country Resort, Jalan 3/155 B, Bukit Jalil, 57000 Kuala lumpur

Proxy Form

OCK GROUP BERHAD
(955915-M)

*I/We, ...
(FULL NAME IN BLOCK LETTERS)
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 Third Annual General Meeting of the Company to be held at Perdana 3, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 28 May 2014 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 the payment of Directors' fee for the financial year ended 31 December 2013		
2.	Re-election of Director – Mr. Low Hock Keong		
3.	Re-election of Director – Mr. Chang Tan Chin		
4.	Re-election of Director – Mr. Chong Wai Yew		
5.	Re-election of Director – Dato' Mohd Som Bin Ibrahim		
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 Ac, 1965		
8.	Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		

Dated this .... day of 2014

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

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

For appointment of two proxies, percentage of shareholding to be represented by the proxies:-

	No. of Shares	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 22 May 2014 (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

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

1st fold here

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Selangor Darul Ehsan,
Malaysia.

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