

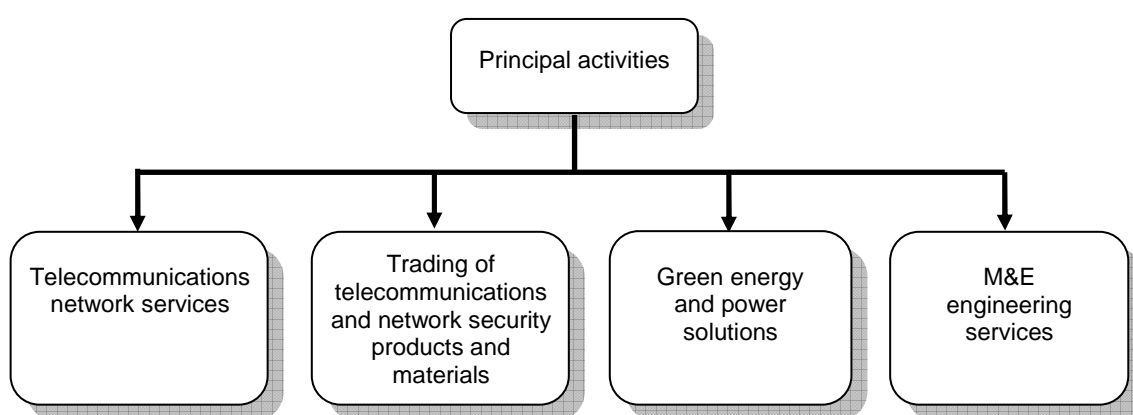
OCK GROUP BERHAD ("OCK" OR THE "COMPANY")

PROPOSED TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF OCK FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED TRANSFER")

1. INTRODUCTION

OCK was incorporated in Malaysia on 5 August 2011 under the Companies Act, 1965 as a private limited company under the name OCK Group Sdn Bhd. OCK subsequently converted into a public limited company and assumed its present name on 11 August 2011. On 17 July 2012, OCK was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The principal activities of OCK and its subsidiaries ("OCK Group" or the "Group") can be categorised into four (4) segments as set out below:-



OCK's history began with the incorporation of OCK Setia Engineering Services, a sole proprietorship by the Group's Managing Director, Ooi Chin Koon, as a provider of M&E engineering services in 1999. Recognising the need to expand the business, Ooi Chin Khoon incorporated Delicom Sdn Bhd on 10 February 2000 to be principally involved in providing telecommunications network services. As there has been a rise in mobile telecommunications and internet services, the demand for network infrastructure and telecommunications network services increased correspondingly. Looking to seize the growing opportunities within the telecommunications industry, the Group established OCK Setia Engineering Sdn Bhd to increase its business in providing telecommunications network services.

Over the years, OCK Group gradually expanded its offering in the provision of telecommunications network services. The Group able to provide full turnkey services for its clients which includes all six (6) segments of the telecommunications network services market such as network planning, design and optimisation, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services.

OCK Group then expanded into the trading of telecommunications network materials and equipments, as well as enterprise network security solutions. In 2006, the Group began trading telecommunications network equipments and materials as a synergistic activity to its core business of telecommunications network services. In 2011, the Group further expanded into distribution and trading of network security software for enterprise users with the acquisition of Fortress Pte Ltd.

In 2010, the Group ventured into green energy and power solutions through its subsidiary, namely EI Power Technologies Sdn Bhd, with an objective to focus on renewable and efficient energy solution. The Group's green energy and power solutions segment entails the supply of power generation equipment for commercial, retail and factory buildings, as well as installation, commissioning and testing services for green energy systems.

At present, the Group is principally involved in the provision of telecommunications network services, trading of telecommunications and network security products and materials, green energy and power solutions and M&E engineering services.

In line with the Group's business growth and strategic expansion plans post-listing in 2012, the Group has managed to increase its telecommunication asset count comprising of ground-based towers and rooftop structures in Malaysia as well as expanded its business footprint in the regional markets such as Cambodia, Myanmar and the People's Republic of China, where the potential for telecommunications network deployment and upgrades remains strong.

2. SHARE CAPITAL

As at 23 October 2014, the authorised and issued and fully paid-up share capital of OCK are set out below:-

	Par Value RM	No. of Shares	Total RM
Authorised	0.10	500,000,000	50,000,000
Issued and fully paid-up	0.10	341,880,000	34,188,000

3. SHAREHOLDING SPREAD

Based on the Record of Depositors of OCK as at 23 October 2014, approximately 53.29% of the issued and paid-up share capital of the Company is held by 2,547 public shareholders holding not less than 100 Shares each.

4. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets out a summary of the consolidated statements of comprehensive income of OCK Group based on its proforma consolidated financial information for the financial year ended ("FYE") 31 December 2011 (as disclosed in its Prospectus dated 29 June 2012), its audited financial statements for the past two (2) financial years up to the FYE 31 December 2013 and its latest unaudited financial statement for the six (6)-month financial period ended ("FPE") 30 June 2014 as well as the comparative period for the six (6)-month FPE 30 June 2013.

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December----->			Six (6)-month FPE 30 June	
	2011	2012	2013	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	88,325	138,602	152,041	63,960	80,034
Cost of sales	(65,912)	(103,137)	(112,937)	(47,754)	(59,722)
Gross profit	22,413	35,465	39,104	16,206	20,312
Other income	2,299	1,441	2,014	1,144	703
Administrative expenses	(10,815)	(15,602)	(16,889)	(8,520)	(9,394)

	<-----Audited-----> <-----FYE 31 December----->			<-----Unaudited-----> Six (6)-month FPE 30 June	
	2011 RM'000	2012 RM'000	2013 RM'000	2013 RM'000	2014 RM'000
Operating profits	13,897	21,304	24,229	9,692	13,531
Finance costs	(1,567)	(2,261)	(3,070)	(1,445)	(2,506)
Profit before taxation	12,330	19,043	21,159	7,385	9,115
Taxation	(3,130)	(5,089)	(5,868)	(1,848)	(2,283)
Net profit	9,200	13,954	15,291	5,537	6,832
Other comprehensive income					
Revaluation of leasehold land and building	3,599	70	70	-	-
Foreign currency translation	1	(10)	-	-	-
Income tax relating to components of other comprehensive income	(180)	4	4	-	-
Total comprehensive income	12,620	14,018	15,365	5,537	6,832
Profit attributable to:-					
Owners of OCK	8,523	13,148	13,582	4,785	6,038
Non-controlling interests	677	806	1,709	752	793
	9,200	13,954	15,291	5,537	6,832
Total comprehensive income attributable to:-					
Owners of OCK	11,943	13,212	13,656	4,785	6,038
Non-controlling interests	677	806	1,709	752	793
	12,620	14,018	15,365	5,537	6,832
Other selected financial data:-					
EBITDA ^{*1} (RM'000)	14,847	22,397	26,039	9,532	13,374
Number of OCK Shares in issue ('000)	184,000	259,000	284,900	259,000	341,880
Gross profit margin (%)	25.4	25.6	25.7	25.3	25.4
PBT margin (%)	14.0	13.7	13.9	11.5	11.4
PAT margin (%)	10.4	10.1	10.1	8.66	8.5
EPS (sen)					
- Basic ^{*2}	4.63	5.08	4.77	0.84	1.07
- Diluted	-	-	-	-	-
Effective tax rate (%)	25.4	26.7	27.7	25.0	25.0

Notes:-

^{*1} Earnings before interest, taxes, depreciation and amortization

^{*2} Calculated based on the profit after taxation attributable to the owners of OCK divided by the number of OCK Shares in issue for the respective financial year

FYE 31 December 2011 vs FYE 31 December 2010

OCK's revenue increased by 32.27% or RM21.55 million from RM66.78 million for the FYE 31 December 2010 to RM88.33 million for the FYE 31 December 2011, mainly due to the contribution from its telecommunication network services segment, as a result of an increase in orders secured from its new and existing customers. This was primarily due to the increase in revenue from new and existing turnkey contracts secured for expansions of WiMAX and 3G coverage which amounted to a total of RM9.80 million. The Group's new venture into provisions of green energy and power solution in the fourth quarter of 2010 has also contributed approximately RM14.96 million in revenue, which was solely generated from the sale of gen-sets in the FYE 31 December 2011.

In tandem with the improved gross profit from existing activities and contributions from the Company's venture in green energy and power solution since the fourth quarter of FYE 31 December 2010, OCK's PBT had increased by 147.09% or RM7.34 million from RM4.99 million for the FYE 31 December 2010 to RM12.33 million for the FYE 31 December 2011.

FYE 31 December 2012 vs FYE 31 December 2011

OCK's revenue increased by 56.91% or RM50.27 million from RM88.33 million for the FYE 31 December 2011 to RM138.60 million for the FYE 31 December 2012. The higher revenue was attributable to the increased contribution from all of OCK's four (4) business segments. Telecommunication network services segment remains to be OCK's key contributor with a recorded revenue of RM104.91 million for the FYE 31 December 2012, representing a revenue growth of approximately 36.14% as compared to RM77.06 million for the FYE 31 December 2011, due to more execution works required by the telecommunication operators, mainly for the turnkey and deployment works in relation to the modernization of 3G network.

OCK's green energy and power solutions segment recorded an increase from RM14.96 million for the FYE 31 December 2011 to RM19.59 million for the FYE 31 December 2012, mainly due to higher volume of gen-sets sold. OCK's trading of telecommunications and network security products and materials and M&E engineering services segments recorded increase in revenue of approximately 185.16% and 391.86% to RM12.49 million and RM18.74 million, respectively, for the FYE 31 December 2012. OCK's trading of telecommunications and network security products and materials segment mainly benefited from the growth in its telecommunication network services segment, mainly in turnkey and deployment works performed for two (2) of its major customers, which bolstered a higher demand for its telecommunications network equipment and materials such as antennas, feeder cables and connectors. The revenue growth in OCK's M&E engineering services was mainly due to a higher execution of M&E works in 2012 from its existing and new projects such as medical centres, several fast food outlets and commercial high-rise building.

In tandem with the improved gross profit across all of OCK's business segments from RM22.41 million for the FYE 31 December 2011 to RM35.47 million for the FYE 31 December 2012, its PBT had increased by 54.42% or RM6.71 million from RM12.33 million for the FYE 31 December 2011 to RM19.04 million for the FYE 31 December 2012.

FYE 31 December 2013 vs FYE 31 December 2012

OCK's revenue increased by 9.70% or RM13.44 million from RM138.60 million for the FYE 31 December 2012 to RM152.04 million for the FYE 31 December 2013, mainly contributed by its telecommunication network services as well as green energy and power solution segments. OCK's key segmental revenue contributor, namely telecommunication network services segment, recorded a decrease in revenue from RM104.91 million for the FYE 31 December 2012 to RM88.59 million for the FYE 31 December 2013, mainly due to the slight slowdown in the first half of 2013, given the various pending market uncertainties leading to a delay in the roll-out of the capital expenditure from telecommunication operators, telecommunication providers and Government projects alike.

Of the RM88.59 million in revenue contributed from OCK's telecommunication network services segment, OCK derived the revenue of RM1.73 million in rental income from its telecommunications sites, of which has commenced contributing to its revenue in 2013 onwards. As at 31 December 2013, OCK has 193 telecommunications sites comprising of ground-based towers and rooftop structures in Malaysia.

OCK's trading of telecommunications and network security products and materials as well as M&E engineering services segments also recorded decreases in revenue by 7.94% and 21.80%, respectively, due to slower trading activities and the indirect effects of the aforesaid slowdown during the first half of 2013.

Notwithstanding the above, the overall increase in the Group's revenue was mainly attributable to the higher contribution from its green energy and power solution segment, which recorded a significant revenue growth of 119.86% from RM19.59 million for the FYE 31 December 2012 to RM43.07 million for the FYE 31 December 2013. This was mainly due to the execution of the EPC contract for the 10MW car porch project in KLIA, Sepang, of which OCK's scope of works mainly involved designing, engineering, procurement, supply and install, inspection, testing and commissioning of solar photovoltaic system. The aforesaid EPC contract includes variation orders amounted to approximately RM27.80 million.

In tandem with the improved gross profit from OCK's telecommunication network service, green energy and power solution, and M&E engineering service segments, its overall PBT had increased by 11.13% or RM2.12 million from RM19.04 million for the FYE 31 December 2012 to RM21.16 million for the FYE 31 December 2013. OCK's overall PBT margin also improved slightly to 13.9% for the 31 December 2013 as compared to 13.7% for the 31 FYE December 2012.

Six (6)-month FPE 30 June 2014 vs Six (6)-month FPE 30 June 2013

OCK's revenue increased by 25.13% or RM16.07 million from RM63.96 million for the six (6)-month FPE 30 June 2013 to RM80.03 million for the six (6)-month FPE 30 June 2014, mainly due to the contribution from its green energy and power solution segment which recorded a revenue growth of RM10.27 million as compared to the preceding period under review. The higher revenue growth in OCK's green energy and power solution segment was mainly attributable to the execution and completion of EPC contract for the 10MW car porch project in KLIA, Sepang in March 2014 and also the increase in its gen-set sales through EI Power.

OCK's telecommunication network services segment recorded an increase in revenue of RM6.88 million as compared to the preceding period under review, mainly due to more execution work required by the telecommunication operators in the second quarter of 2014 and the higher contribution of rental income from its telecommunications sites. As at 30 September 2014, OCK has 199 telecommunications sites comprising of ground-based towers and rooftop structures in Malaysia.

OCK's M&E engineering services recorded a slight increase in revenue of RM0.70 million, mainly due to more progress billings from the on-going projects. The trading of telecommunications and network security products and materials segments recorded a decrease in revenue of RM2.92 million, mainly due to fewer trading activities of its network security products via Fortress Singapore.

In tandem with the improved gross profit from OCK's telecommunication network service, green energy and power solution, and M&E engineering service segments, its overall PBT had increased by 23.41% or RM1.73 million from RM7.39 million for the six (6)-month FPE 30 June 2013 to RM9.12 million for the six (6)-month FPE 30 June 2014.

5. MARKET CAPITALISATION

The market capitalisation of OCK is RM468,375,600, based on the closing price of OCK of RM1.37 on 23 October 2014.

This announcement is dated 24 October 2014.