THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed and approved by RHB Investment Bank Berhad as the Adviser of OCK Group Berhad for the Proposals (as defined herein).

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

OCK GROUP BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

I. PROPOSED ACQUISITION BY OCK INTERNATIONAL SDN BHD, A WHOLLY-OWNED SUBSIDIARY COMPANY OF OCK GROUP BERHAD ("OCK"), OF 85% EQUITY INTEREST IN PT PUTRA MULIA TELECOMMUNICATION FOR A TOTAL PURCHASE CONSIDERATION OF RM21,250,000 TO BE FULLY SATISFIED VIA A COMBINATION OF CASH AND ISSUANCE OF NEW ORDINARY SHARES OF RM0.10 EACH IN OCK ("OCK SHARES" OR "SHARES");

II. PROPOSED BONUS ISSUE OF 176,053,636 OCK SHARES ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING OCK SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;

III. PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF OCK AND PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF OCK;

IV. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF OCK FROM RM50,000,000 COMPRISING 500,000,000 OCK SHARES TO RM100,000,000 COMPRISING 1,000,000,000 OCK SHARES; AND

V. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF OCK

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of OCK Group Berhad, to be held at Redang Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 2 September 2014 at 10.00 a.m., together with the Form of Proxy are enclosed herein.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and to vote on his/ her behalf. In such event, the Form of Proxy should be lodged at the Company's Registrar's office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the EGM as indicated below. The lodging of the Form of Proxy does not preclude you from attending, speaking and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Sunday, 31 August 2014 at 10.00 a.m.
Date and time of the EGM..	:	Tuesday, 2 September 2014 at 10.00 a.m.

This Circular is dated 8 August 2014

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act, 1965
"BTMH"	:	Messrs Baker Tilly Monteiro Heng, being the reporting accountants in relation to the Proposed Acquisition and the Proposed Bonus Issue
"Board"	:	The Board of Directors of OCK
"Bonus Share(s)"	:	176,053,636 new OCK Shares to be issued pursuant to the Proposed Bonus Issue
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"By-Laws"	:	The terms and conditions of the Proposed ESOS as amended, from time to time
"Consideration Share(s)"	:	10,227,272 new OCK Shares to be issued to the Vendors at an issue price of RM1.10 per OCK Share pursuant to the Proposed Acquisition
"Crowe Horwath"	:	Crowe Horwath Advisory Sdn Bhd, being the expert providing the opinion on the fairness of the Purchase Consideration
"Date of Acceptance"	:	The date where the Option Committee shall receive the written notice from an Eligible Person accepting an Offer
"Date of Offer"	:	The date on which an Offer is made by the Option Committee to an Eligible Person in the manner as indicated in the By-Laws
"Director(s)"	:	The director(s) of OCK and shall have the meaning given in section 2(1) of the Capital Markets And Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon – i. a director of the listed issuer, its subsidiary or holding company; or ii. a chief executive of the listed issuer, its subsidiary or holding company
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"Effective Date"	:	The effective date for the implementation of the Proposed ESOS in the manner as indicated in the By-Laws
"EGM"	:	Extraordinary General Meeting
"Eligible Person(s)"	:	Employees, executive Directors and non-executive Directors of OCK and its subsidiary companies, which are not dormant, who meet the criteria of eligibility in the manner as indicated in the By-Laws
"Entitlement Date"	:	The date as at the close of business (to be determined and announced later by the Board) on which shareholders of OCK must be registered as a member and whose names appear in the Record of Depositors in order to participate in the Proposed Bonus Issue
"EPS"	:	Earnings per share

"ESOS"	:	Employees' share option scheme, being the scheme for the granting of ESOS Options to Eligible Persons to subscribe for new OCK Shares upon the terms and conditions in the manner as indicated in the By-Laws
"ESOS Option(s)" or "Option(s)"	:	The right of a Grantee which may be conditional or unconditional to subscribe for new OCK Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner as indicated in the By-Laws
"ESOS Share(s)"	:	The new OCK Share(s) to be issued upon exercise of the ESOS Options
"EV"	:	Enterprise value
"EV/ EBITDA"	:	EV-to-EBITDA
"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending
"Grantee(s)"	:	An Eligible Person who has accepted an Offer in the manner as indicated in the By-Laws
"IDR"	:	Indonesian Rupiah
"LAT"	:	Losses after taxation and non-controlling interests
"LBT"	:	Losses before taxation
"Legisperitus"	:	Messrs Legisperitus Lawyers, being the expert providing the opinion on the prevailing regulations on the repatriation of profits and relevant laws and regulations of the Republic of Indonesia and legal opinion
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	11 July 2014, being the latest practicable date prior to the printing and despatch of this Circular
"LPS"	:	Loss per share
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) excluding a public holiday and on which Bursa Securities is open for trading of securities
"NA"	:	Net assets
"OCK" or the "Company"	:	OCK Group Berhad
"OCK Group" or the "Group"	:	OCK and its subsidiary companies, collectively
"OCK Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.10 each in OCK
"OCKISB"	:	OCK International Sdn Bhd, a wholly-owned subsidiary company of OCK
"Offer(s)"	:	A written offer made by the Option Committee to an Eligible Person in the manner as indicated in the By-Laws

"Option Committee"	:	The committee appointed and duly authorised by the Board to administer the Proposed ESOS in the manner as indicated in the By-Laws
"PAT"	:	Profit after taxation and non-controlling interests
"PBT"	:	Profit before taxation
"PE"	:	Price-to-earnings
"PMT"	:	PT Putra Mulia Telecommunication
"Private Placement"		The private placement of 56,980,000 new OCK Shares representing 20% of the issued and paid-up share capital of OCK. The Private Placement has been completed on 26 June 2014 following the listing of the first tranche comprising 28,490,000 OCK Shares on 6 June 2014 and the balance tranche comprising 28,490,000 OCK Shares on the ACE Market of Bursa Securities on 26 June 2014
"Proposals"	:	The Proposed Acquisition, the Proposed Bonus Issue, the Proposed ESOS, the Proposed Increase in Authorised Share Capital and the Proposed Amendments, collectively
"Proposed Acquisition"	:	The proposed acquisition by OCKISB of 85% equity interest in PMT for a total purchase consideration of RM21,250,000 to be fully satisfied via a combination of RM10,000,000 cash and issuance of 10,227,272 Consideration Shares to satisfy the remaining of the Purchase Consideration of RM11,250,000
"Proposed Amendments"	:	The proposed amendments to the Memorandum and Articles of Association of OCK
"Proposed Bonus Issue"	:	The proposed bonus issue of 176,053,636 new OCK Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing OCK Shares held on the Entitlement Date. For the avoidance of doubt, the Proposed Bonus Issue will be implemented after the completion of the Proposed Acquisition
"Proposed ESOS"	:	The proposed establishment of an ESOS of up to 10% of the issued and paid-up share capital of the Company
"Proposed Increase in Authorised Share Capital"		The proposed increase in authorised share capital of OCK from RM50,000,000 comprising 500,000,000 OCK Shares to RM100,000,000 comprising 1,000,000,000 OCK Shares
"Proposed Transfer"	:	The 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 Securities, which was announced to Bursa Securities on 14 May 2014
"Purchase Consideration"	:	The total purchase consideration of RM21,250,000 for the Proposed Acquisition to be satisfied via a combination of cash and issuance of the Consideration Shares
"RHBIB" or the "Adviser"	:	RHB Investment Bank Berhad
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively

"Sale Share(s)"	:	The 85,000 ordinary shares of IDR 9,780 each representing 85% equity interest in PMT
"SSA"	:	The conditional shares sales agreement dated 29 April 2014 entered into between OCK, OCKISB and the Vendors in respect of the Proposed Acquisition
"Vendors"	:	Song Chin Yew and Lim Hooi Seeh, collectively
"WAMP"	:	Weighted average market price

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Unless otherwise stated, the following exchange rates as at the LPD have been used for the purpose of this Circular:-

IDR1,000 : RM0.275

(Source: Bank Negara Malaysia's website as at the LPD)

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OCK GROUP BERHAD

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

Registered Office

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

8 August 2014

Board of Directors

Dato' Syed Norulzaman Bin Syed Kamarulzaman *(Senior Independent Non-Executive Chairman)*
Abdul Halim Bin Abdul Hamid *(Deputy Chairman)*
Ooi Chin Khoon *(Managing Director)*
Low Hock Keong *(Executive Director)*
Chang Tan Chin *(Executive Director)*
Chong Wai Yew *(Executive Director)*
Rear Admiral Dato' Mohd Som Bin Ibrahim (Retired) *(Non-Independent Non-Executive Director)*
Fu Lit Fung *(Independent Non-Executive Director)*
Lee Yow Fui *(Independent Non-Executive Director*

To: The Shareholders of OCK Group Berhad

Dear Sir/ Madam,

I. PROPOSED ACQUISITION;

II. PROPOSED BONUS ISSUE;

III. PROPOSED ESOS;

IV. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND

V. PROPOSED AMENDMENTS

---

1. INTRODUCTION

On 29 April 2014, RHBIB had, on behalf of the Board, announced that the Company and OCKISB had, on even date, entered into a conditional SSA with Song Chin Yew and Lim Hooi Seeh for the proposed acquisition by OCKISB of 85% equity interest in PMT for a total purchase consideration of RM21,250,000 to be satisfied via a combination of RM10,0000,000 cash and issuance of 10,227,272 new OCK Shares at an issue price of RM1.10 per OCK Share to satisfy the remaining of the Purchase Consideration of RM11,250,000.

In addition to the Proposed Acquisition, RHBIB had, on 29 April 2014, announced on behalf of the Board that the Company proposed to undertake the following:-

i. Establishment of an ESOS of up to 10% of the issued and paid-up share capital of OCK;

ii. Increase in authorised share capital of OCK from RM50,000,000 comprising 500,000,000 OCK Shares to RM100,000,000 comprising 1,000,000,000 OCK Shares; and

iii. Amendments to the Memorandum and Articles of Association of OCK.

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

i. Bonus issue of up to 177,076,363 new OCK Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing OCK Shares held on the Entitlement Date;

ii. Further amendments to the memorandum and Articles of Association of OCK (in addition to the amendments announced on 29 April 2014); and

iii. Transfer of the listing of and quotation for the entire issued and paid-up share capital of OCK from the ACE Market to the Main Market of Bursa Securities.

On 31 July 2014, RHBIB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 30 July 2014, resolved to approve the listing of and quotation for the Consideration Shares, the Bonus Shares and the ESOS Shares on the ACE Market of Bursa Securities.

The purpose of this Circular is to provide the shareholders of OCK with the relevant information on the Proposals, as well as to seek the approvals from the shareholders of OCK for the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company. The notice of the forthcoming EGM and the Form of Proxy are enclosed together with this Circular.

SHAREHOLDERS OF OCK ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Acquisition

Subject to the terms and conditions of the SSA, the Vendors agree to sell and transfer and OCKISB agrees to purchase and accept the transfer of the Sale Shares free from any and all encumbrance together with all rights now or thereafter attaching thereto, including without limitation, all liabilities and dividends and other distributions declared or made in respect of the Sale Shares on or after completion.

2.1.1 Information on PMT

PMT was incorporated in the Republic of Indonesia on 27 July 2005 based on the Notarial Deed of Benny Lesmana, SH. MM Notary in Tangerang, No. 11. The Deed of Establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in his decision letter No. C-26172 HT.01.01.TH.2005 dated 22 September 2005.

As at the LPD, the authorised as well as the issued and paid up share capital of PMT is IDR978,000,000 comprising 100,000 ordinary shares of IDR9,780 each.

PMT is principally involved in the provision of telecommunications solution services. PMT's competencies are set out as below:-

- Operational maintenance managed services outsourcing;
- Network deployment roll-out services;
- Human resource management services;
- Test measurement products/ renting services for telephone company;
- Radio network optimisation; and
- In-building turnkey solutions.

The principal market for PMT's services is in Indonesia. As at the LPD, PMT has been contracted to service numerous network sites throughout Indonesia, the details of which are set out in Appendix I of this Circular. As at the LPD, PMT has secured/ been servicing the following contracts awarded by various telecommunication technology and networks providers:-

i. Managed services – PMT to design and provide overall telecommunication network maintenance outsourcing services to ensure the performance of network within the service level agreement (SLA); and

ii. Network turnkey services – PMT to provide network planning, design optimisation, network deployment as well as network operations and maintenance.

It should be noted that there are no indications on the value of the contracts as the value for such services and/ or equipment provided depends on the volume of work requested by the telecommunication technology and networks providers as well as the scope of services rendered by PMT within the duration of the respective contracts.

The Directors and shareholders of PMT as well as their respective shareholdings as at the LPD are as follows:-

		<---------Direct-------->		<-------Indirect------>	
Directors and shareholders	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Song Chin Yew	Malaysian	75,000	75.00	-	-
Lim Hooi Seeh	Malaysian	25,000	25.00	-	-

Upon completion of the Proposed Acquisition, OCKISB will own 85% equity interest in PMT whilst Lim Hooi Seeh will own the remaining 15% equity interest in PMT.

The Board is of the view that Lim Hooi Seeh's remaining 15% equity stake in PMT upon completion of the Proposed Acquisition could serve as an incentive for him to continue to contribute towards the future development of PMT. Lim Hooi Seeh's remaining 15% equity stake in PMT would also give assurance and comfort to the Board on the continuation of business and key management of PMT.

As at the LPD, PMT does not have any subsidiary or associate companies.

Further details on PMT are set out in Appendix I of this Circular.

2.1.2 Basis and justifications of determining the Purchase Consideration

The purchase consideration for the Proposed Acquisition was arrived at on a willing buyer-willing-seller basis based on mutual agreement after negotiation between OCK and the Vendors and after taking into consideration the following:-

i. a historical PE multiple of approximately 12.84 times for the 85% equity interest in PMT based on the PAT of PMT of IDR6,018 million (approximately RM1.66 million) attributable to the 85% stake to be acquired by OCK.

   For information purposes, PMT recorded a PAT of IDR7,080 million (approximately RM1.95 million) for the FYE 31 December 2013;

ii. future earnings potential of PMT given the service contracts in hand as set out in Section 2.1.1 of this Circular and the tenure of the contracts which ranges from three (3) months to three (3) years;

iii. the generally favourable outlook of the telecommunications industry as set out in Section 4.2 of this Circular; and

iv. the future prospects of PMT as set out in Section 4.3 of this Circular.

For the purpose of assessing the reasonableness of the Purchase Consideration, reference was made to the valuation statistics of public companies listed on stock exchange in Indonesia with principal activities which are broadly comparable to the businesses of PMT. PMT is principally involved in telecommunication solution services with competencies as set out in Section 2.1.1 of this Circular. As such, companies which provide telecommunication solution services in in Indonesia have been chosen as comparable companies.

It should be noted that there is no company listed in Indonesia which may be considered to be identical to PMT in terms of, *inter-alia*, composition of business activities, scale of business operations, risk profile, asset base, accounting and tax policies, track record, future prospects, competitive environment, financial positions and that such business may have fundamentally different profitability objectives. It should also be noted that any comparison made with respect to the comparable companies is merely to provide an indicative valuation of PMT. The valuation statistics using PE multiple and EV/ EBITDA multiple are set out in the following page.

The following valuation ratios have been used to arrive at the valuation statistics:-

Valuation multiple	General description
PE	PE multiple illustrates the multiple of the market value of a company's shares relative to its historical EPS
EV/ EBITDA	EV is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. The EV/ EBITDA multiple illustrates the market value of a company's business relative to its historical pre-tax operation cash flow performance, without regard to the company's capital structure

The price-to-book multiple was not used as the basis of valuation in view that the said multiple is only meaningful to the extent of the value of each share is backed by tangible assets and would be more applicable to asset-based companies. Other valuation multiple comparisons were not used as they may not be deemed applicable or appropriate with respect to PMT.

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Comparable companies	Based on the latest audited FYE	Principal activities	Closing price as at LPD IDR	PAT IDR' million	PE[*1] times	EV IDR' million	EBITDA IDR' million	EV/ EBITDA[*2] times
PT Inovisi Infracom Tbk	31 December 2013	PT Inovisi Infracom Tbk involves in provision of mobile telecommunication infrastructure services, advertising and other related services.	1,630	292,398	55.69	17,225,214	447,015	38.53
PT Sarana Menara Nusantara Tbk	31 December 2013	PT Sarana Menara Nusantara Tbk involves in building telecommunications tower and renting the towers to mobile telecommunications services providers.	3,920[*3]	168,512	237.34[*4]	47,792,368	1,404,554	34.03
PT Inti Bangun Sejahtera Tbk	31 December 2013	PT Inti Bangun Sejahtera Tbk involves in leasing space and other broadcast equipment for wireless signal transmission at tower sites under long-term lease agreement with mobile operators and wireless cable television providers.	3,170[*5]	870,391	4.16	3,992,143	303,859	13.14
PT Solusi Tunas Pratama Tbk	31 December 2013	PT Solusi Tunas Pratama Tbk involves in development and construction of telecommunication towers for the wireless communications industry.	8,250[*6]	197,596	33.16	9,463,831	441,651	21.43
PT Bali Towerindo Sentra Tbk	31 December 2013	PT Bali Towerindo Sentra Tbk involves in leasing of antenna space on self-owned multi-tenant Base Transceiver Station towers primarily to mobile cellular operators.	2,315	85,603	13.79	1,427,138	65,523	21.78

Comparable companies	Based on the latest audited FYE	Principal activities	Closing price as at LPD IDR	PAT IDR' million	PE[*1] times	EV IDR' million	EBITDA IDR' million	EV/ EBITDA[*2] times
PT Tower Bersama Infrastructure Tbk	31 December 2013	PT Tower Bersama Infrastructure Tbk provides telecommunication involves in development and operation of telecommunication supporting infrastructure including tower and in-building systems across Indonesia.	7,800	1,351,524	27.68	49,872,589	1,148,634	43.42
		High			**55.69[*7]**			**43.42**
		Low			**4.16**			**13.14**
		Simple average			**26.90[*7]**			**28.72**
		PMT (based on audited financial statements for the FYE 31 December 2013)	**-**	**7,080**	**12.84**	**91,333**	**9,700**	**9.42**

Notes:-

*1 *Based on the closing market price as at LPD where EPS is based on the audited financial statements of each company for the latest financial year available.*

*2 *Market capitalisation in the calculation of EV is computed by multiplying the total issued and paid-up share capital of each company as at the latest financial year available with the closing market price as at LPD while other components in EV and EBITDA are based on the audited financial statements of each company for the latest financial year available*

*3 *There was no trading on the LPD, the last trading was on 10 July 2014*

*4 *Outlier*

*5 *Price has been adjusted pursuant to a rights issue exercise undertaken by PT Inti Bangun Sejahtera Tbk*

*6 *There was no trading on the LPD, the last trading was on 12 June 2014*

*7 *Excluded outlier PT Sarana Menara Nusantara Tbk*

The PE multiple of PMT of 12.84 times as implied by the Purchase Consideration is below the simple average of the PE multiple of the comparable companies 26.90 times and within the range of PE multiple of the comparable companies of 4.16 to 55.69 times. Taking the aforesaid into consideration, the Purchase Consideration is deemed reasonable.

The EV/ EBITDA multiple of PMT of 9.42 times as implied by the Purchase Consideration is below the simple average of the EV/ EBITDA multiple of the comparable companies of 28.72 times and below the lowest EV/ EBITDA multiple of the comparable companies of 13.14 times. Taking the aforesaid into consideration, the Purchase Consideration is deemed reasonable.

In addition, an evaluation was carried out by Crowe Horwath to provide an opinion on the fairness of the Purchase Consideration, a summary of the report is set out in Section 2.1.3 of this Circular and a copy of the said expert's report on the fairness of the Purchase Consideration dated 4 August 2014 is enclosed in Appendix III of this Circular.

2.1.3 Evaluation by Crowe Horwath

The following table summarises the comparison of the Purchase Consideration with trading multiples of the comparable companies and precedent transaction acquisition multiples:-

	PE Multiples (times)	**EV/ EBITDA Multiples (times)**
Comparable companies trading multiples[*1]	20.56 – 32.92	7.23 – 18.26
Precedent transactions acquisition multiples[*2]	9.49 – 20.16	6.18 – 12.04
Multiples implied by the Purchase Consideration[*3]	12.11 – 13.59	8.79 – 9.50

Notes:-

*1 *Comparable companies include PT XL Axiata TBK, PT Inovisi Infracom TBK and PT Tower Bersama Infrastructure (Source: Bloomberg)*

*2 *Precedent transactions list, in the format "Acquirer / Target", include Mitel Networks Corp / Aastra Technologies Ltd; Premiere Global Services Inc / ACT Teleconferencing Inc and Eutelsat Communications SA / Satelites Mexicanos SA de CV (Source: Bloomberg)*

*3 *Exchange rate as at the Assessment Date (as defined in the Expert Report by Crowe Horwath) - RM1.00: IDR3,543.60 (Source: Bloomberg)*

Based on the table above, which is extracted from the expert's report prepared by Crowe Horwath, the Purchase Consideration translates to an implied PE multiple of between 12.11 to 13.59 times, which is below the range of traded multiples of 20.56 to 32.92 times for the selected comparable companies as at the Assessment Date as set out in note 1 above. The implied EV/ EBITDA multiple of 8.79 to 9.50 times is within the range of the traded multiples of 7.23 to 18.26 times for the selected comparable companies as at the Assessment Date as set out in Note 1 above.

In addition, the implied PE multiple and EV/ EBITDA multiple for the Purchase Consideration of 12.11 to 13.59 times and 8.79 to 9.50 times falls within the range of the precedent transactions acquisition multiples of 9.49 to 20.16 times and 6.18 to 12.04 times, respectively, for precedent transactions as at the Assessment Date as set out in Note 2 above.

Crowe Horwath has also undertaken a discounted cash flow analysis of PMT's business to derive the equity valuation and enterprise valuation, the details of which are set out in Appendix III of this Circular.

Crowe Horwath is of the view that as of the Assessment Date, the Purchase Consideration payable pursuant to the Proposed Acquisition is fair from a financial point of view of PMT.

The key bases and assumptions adopted in the evaluation on the fairness of the Purchase Consideration by Crowe Horwath are set out in Appendix III of this Circular.

2.1.4 Mode and terms of settlement

The Purchase Consideration is to be fully satisfied via a combination of cash and issuance of Consideration Shares in the following manner in accordance with the SSA:-

Vendors	**No. of Sale Shares**	**Equity interest in PMT %**	**Purchase Consideration RM'000**	**Amount of cash RM'000**	**No. of Consideration Shares**
Song Chin Yew	75,000	75.00	18,750	8,824	9,024,064
Lim Hooi Seeh	10,000	10.00	2,500	1,176	1,203,208
Total	**85,000**	**85.00**	**21,250**	**10,000**	**10,227,272**

For information purposes, the cash payment of RM10,000,000 is to be satisfied within six (6) months from the date of the SSA ("Payment Period"). In the event OCKISB is not able to fulfil the Purchase Consideration by the expiration of the Payment Period, the parties may mutually agree in writing to extend such period.

Pursuant to a letter of amendment dated 25 July 2014, the parties to the SSA have mutually agreed to extend the Payment Period to six (6) months from the date of the SSA.

2.1.5 Source of funding

The cash payment of RM10,000,000 which forms part of the Purchase Consideration shall be fully funded via bank borrowings.

2.1.6 Basis and justification of determining the issue price of the Consideration Shares

The issue price of RM1.10 per Consideration Share was fixed by the Board after taking into consideration the five (5)-day WAMP of OCK Shares up to and including 28 April 2014, being the last market day prior to the date of execution of the SSA, of RM1.27. The issue price represents a discount of approximately 13.39% to the aforesaid five (5)-day WAMP of OCK Shares.

Further, the issue price of RM1.10 per Consideration Share was arrived at on a willing buyer-willing seller basis, after negotiations between OCK and the Vendors, and taking into consideration of the following:-

i. historical price movement of OCK Shares including one (1)-month, three (3)-month and six (6)-month WAMP of OCK shares up to and including 28 April 2014 of RM1.31, RM1.11 and RM1.04, respectively;

ii. OCK Shares have been traded well below RM1.00 from April 2013 to February 2014. OCK Share prices have only started to increase gradually in March 2014;

iii. the liquidity of OCK Shares as traded on Bursa Securities for past 12 months up to March 2014, being the last month prior to the date of execution of the SSA, which has an average monthly trading volume of 17.11 million OCK Shares representing 5.00% of OCK's issued and paid-up share capital as at the LPD as follows:-

Month	**Volume traded**	**Monthly trading volume as a percentage of total issued and paid-up capital[1]**
	million	**%**
2013		
April	3.715	1.09
May	14.569	4.26
June	13.060	3.82
July	14.344	4.20
August	36.499	10.68
September	14.592	4.27
October	30.590	8.95
November	18.110	5.30
December	18.637	5.45
2014		
January	8.840	2.59
February	15.245	4.46
March[*2]	96.822	28.32
Average[*3]	17.109	5.00

(Source: Bloomberg)

Notes:-

*1 *Based on the issued and paid-up share capital as at the LPD of 341,880,000 OCK Shares*

*2 *Outlier*

*3 *Excluding outlier*

Premised on the above, the OCK Shares had been thinly traded for the past 12 months prior to the execution of the SSA.

iv. The moratorium of the Consideration Shares as set out in Section 2.1.12(iii) of this Circular.

For information purposes, the issue price of RM1.10 per Consideration Share represents a PE multiple of approximately 23.06 times based on the audited consolidated PAT of OCK of RM13.58 million for the FYE 31 December 2013 whereas the PE multiple for the Proposed Acquisition is 12.84 times as implied by the Purchase Consideration.

Premised on the above, the Board is of the view that the issue price of RM1.10 per Consideration Share, which represents a discount of approximately 13.39% to the aforesaid five (5)-day WAMP of OCK Shares is fair in view of the factors set out above.

2.1.7 Ranking of the Consideration Shares

The Consideration Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the existing issued and paid-up OCK Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotment and/ or any other forms of distribution ("Distribution") that may be declared, made or paid prior to the relevant date of the issuance and allotment of the Consideration Shares.

2.1.8 Liabilities to be assumed by OCK

Save for the Purchase Consideration as set out in Section 2.1.4 of this Circular, there are no other obligations and liabilities including contingent liabilities and/ or guarantees to be assumed by OCK arising from the Proposed Acquisition.

2.1.9 Additional financial commitment required

Save for the Purchase Consideration, there are no additional financial commitments required by OCK to put the business of PMT on-stream. As set out in Section 2.1.1 of this Circular, PMT is an on-going business entity.

2.1.10 Listing of and quotation for the Consideration Shares

The approval has been obtained from Bursa Securities vide its letter dated 30 July 2014 for the listing of and quotation for the Consideration Shares on the ACE Market/ Main Market of Bursa Securities depending on the timing of the listing of the Consideration Shares.

2.1.11 Information on the Vendors

i. Song Chin Yew

Song Chin Yew, a Malaysian aged 40, graduated from Oxford Brookes University (United Kingdom) with a Bachelor Degree of Engineering (Honours) in Civil Engineering. He has over 10 years of experience in property development industry and was previously attached to IOI Corporation Berhad and SP Setia Berhad before he ventured into the telecommunications industry as a new shareholder and Director in PMT in 2011.

ii. Lim Hooi Seeh

Lim Hooi Seeh, a Malaysian aged 46, graduated from Tunku Abdul Rahman college with a Diploma of Electronic and Electrical Engineering in 1992 and obtained a Master of Business Administration Degree from University of Nottingham Trent, United Kingdom, in 2007. He has over 20 years of experience in the telecommunications industry. He started his career as an engineer with AIMS Sdn Bhd in 1992 and later joined Mobikom Sdn Bhd in 1995. He continued his career in DiGi Telecommunications Sdn Bhd for 11 year with last position as senior management in Technology Division from 1995 to 2006. He later joined P1 Malaysia for five (5) years with last position as Vice President of Technology Officer from 2006 to 2011.

He ventured into entrepreneurial path as a new shareholder and Chief Executive Officer in PMT in 2011.

2.1.12 Salient Terms of the SSA

i. Consideration

OCKISB agrees to satisfy the Purchase Consideration for the Sale Shares to the Vendors partly by payment of cash and partly by the issuance of OCK Shares, details of which are set out in Section 2.1.4 of this Circular.

ii. Conditions Precedent

a) The sale and purchase of the Sale Shares and the issue of the Consideration Shares are subject to the Conditions Precedent set out below being fulfilled within six (6) months from the SSA ("Conditional Period"):-

aa. The approval of the shareholders of OCK for the following:-

A. purchase of the Sale Shares;

B. increase in OCK's authorised share capital; and

C. issuance of the Consideration Shares upon the terms and conditions set out in the SSA;

bb. The respective approval of the Board of Directors and the shareholders of PMT, for the proposed acquisition plan drafted by OCKISB; and

cc. The approval of the Indonesian Investment Coordinating Board ("BKPM") and Ministry of Law and Human Rights ("MOLHR") of the change of ownership of the Sale Shares to be obtained by the Vendors.

For avoidance of doubt, all the Consideration Shares will be issued to the Vendors upon fulfilment of all the Conditions Precedent. The Proposed Acquisition shall be deemed completed upon full settlement of Purchase Consideration to the Vendors, inclusive of full payment of cash amounting to RM10,000,000 and full issuance of 10,227,272 OCK Shares.

b) In the event the Conditions Precedent or any of them is not obtained by the expiration of the Conditional Period, the Vendors and OCKISB (collectively the "Parties") may mutually agree in writing to such extended period or periods (the "Extended Date") to obtain the approvals.

c) In the event any of the Conditions Precedent is not fulfilled and not waived by the Parties within the Conditional Period or by the expiration of the Extended Date, as the case may be, the Parties are entitled to terminate the SSA and the SSA shall thereafter be null and void and of no further effect save and except for any antecedent breach.

d) Responsibilities for obtaining approvals

aa. OCK will be responsible for submitting application(s) to obtain the necessary approvals, its shareholders' approval and the approval(s) of any other relevant authority(ies), if so required.

bb. The Vendors agree to deliver to OCK such information as may be required by OCK to enable OCK to submit the relevant applications to obtain the approvals.

cc. OCK agrees to deliver to PMT its Articles of Association, company registration, management structure, identity of the director(s) and such other documents as may be required by the Vendors to be attached to the application made by the Vendors to BKPM and MOLHR for BKPM and MOLHR's approval of change of ownership.

dd. OCK agrees and covenants with the Vendors that OCK shall transmit or deliver to the Vendors each and every communication relating to the approvals to be obtained by OCK pertaining to communications sent to and received from any relevant authority(ies) within three (3) business days from the date of despatch or receipt of the same, as the case may be.

e) The SSA will become unconditional upon the satisfaction or fulfilment of all Conditions Precedent and the date of such fulfilment shall be the unconditional date. Any Condition Precedent agreed to be waived by the Parties will be deemed as a satisfaction or fulfilment of that Condition Precedent.

iii. Moratorium

The Vendors shall observe a moratorium for a period of at least one (1) calendar year from the listing date of the Consideration Shares on the transfer or disposal of any of their interests in the Consideration Shares.

It shall be noted that OCK currently has no business presence in Indonesia. In addition to Lim Hooi Seeh's remaining 15% equity stake in PMT upon completion of the Proposed Acquisition, as set out in Section 2.1.1 of this Circular, the moratorium would give additional assurance and comfort to the Board on the continuation of business of PMT upon completion of the Proposed Acquisition. Besides, the moratorium also serves to avoid any immediate sell-down of the Consideration Shares by the Vendors upon completion of the Proposed Acquisition. Further, the Board is of the view that the moratorium period of at least one (1) calendar year is reasonable as the Consideration Shares are to be issued at a discount of approximately 13.39% to the five (5)-day WAMP of OCK Shares up to and including 28 April 2014, being the last market day prior to the date of execution of the SSA.

Pursuant to a letter of amendment dated 25 July 2014, the parties to the SSA have mutually agreed to vary the moratorium period to one (1) year (as opposed to at least one (1) calendar year).

iv. Termination

a) The Vendors are entitled to claim from OCKISB one (1) per centum of the Purchase Consideration as agreed liquidated damages or to elect to enforce specific performance of the SSA against OCKISB if OCKISB:-

aa. fails to carry out any necessary obligation on its part which is required for the completion of the SSA;

bb. fails to complete the SSA, whether in the absence of breach by the Vendors of any of the terms of the SSA or otherwise;

cc. is in breach of any of the terms of the SSA; or

dd. fails to pay the Purchase Consideration in accordance with the terms of the SSA.

b) OCKISB is entitled to claim from the Vendors one (1) per centum of the Purchase Consideration as agreed liquidated damages or to elect to enforce specific performance of the SSA against the Vendors if the Vendors:-

aa. fail to carry out any necessary obligation on their part which is required for the completion of the SSA;

bb. fail to complete the SSA, whether in the absence of breach by OCKISB of any of the terms of the SSA or otherwise; or

cc. are in breach of any of the terms of the SSA.

For avoidance of doubt, the costs arising from termination will be borne by the respective parties to the SSA or as any court of law so directs.

2.1.13 Policies on Indonesia's Foreign Investments and Repatriation of Profits

The Board understands that there is no restriction in Indonesia on the acquisition of shares of PMT by foreign interests. However, due to its status as a foreign investment company, any change in ownership, capital and line of business is subject to approval by BKPM and MOLHR. Upon execution of transaction, PMT is required to immediately submit notification to BKPM and MOLHR to obtain approvals for such changes.

In addition, the Board also understands that currently, Indonesia does not impose foreign exchange controls. However, there is a 20% withholding tax of income received by a non-Indonesian. Double tax treaties offer a lower withholding tax rate, usually between 10% and 15%. In addition, most treaties provide for an exemption from withholding tax, where interest is paid to the government or other specified authorities in other countries. Withholding tax rates applied to residents of the countries signing tax treaty with Indonesia may be reduced based on the provisions of the particular tax treaty. There are no restrictions or prohibitions that would in the ordinary circumstance prevent the repatriation of profits by PMT to any foreign investors. There are also no restrictions as to the timeframe in which any profits are to be repatriated.

A detailed summary on the policies governing investments and taxation in Indonesia and repatriation of profits by Legisperitus is attached in Appendix II of this Circular.

2.1.14 Enforceability of the SSA

After having regards to the applicable laws in Indonesia, the Board has been advised by Legisperitus that the SSA is valid and legally binding on the Vendors and that the SSA can be enforced by OCK in Indonesia.

A copy of the legal opinion by Legisperitus is attached in Appendix II of this Circular.

2.2 Proposed Bonus Issue

2.2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue will entail an issuance of 176,053,636 new OCK Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing OCK Shares held by the entitled shareholders of OCK as at the close of business on the Entitlement Date.

Based on the issued and paid-up share capital of OCK as at the LPD of RM34,188,000 comprising 341,880,000 OCK Shares together with 10,227,272 Consideration Shares to be issued, a total of 176,053,636 Bonus Shares may be issued pursuant to the Proposed Bonus Issue. For the avoidance of doubt, the Proposed Bonus Issue will be implemented after the completion of the Proposed Acquisition.

The Bonus Shares will be issued to the shareholders of OCK whose names appear in the Record of Depositors of OCK at the close of business on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and dealt with by the Board in such manner in their absolute discretion deem fit and expedient, and to be in the best interest of the Company.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

2.2.2 Capitalisation of reserves

The Proposed Bonus Issue shall be wholly capitalised from the share premium account of the Company.

For illustration purposes, the proposed capitalisation for the Proposed Bonus Issue based on OCK's audited financial statements for the FYE 31 December 2013 at the company level is set out below:-

OCK (Company level)	**RM'000**
Audited share premium as at 31 December 2013	26,739
Add: Adjusted for the Private Placement	66,426[*1]
	93,165
Add: Adjusted for the Proposed Acquisition	10,227[*2]
	103,392
Less: Amount to be capitalised pursuant to the Proposed Bonus Issue	(17,605)
After the Proposed Bonus Issue	**85,787**

An illustration of the proposed capitalisation for the Proposed Bonus Issue based on OCK's latest unaudited financial statement for the three (3)-month FPE 31 March 2014 is set out below:-

OCK (Company level)	**RM'000**
Unaudited share premium as at 31 March 2014	26,739
Add: Adjusted for the Private Placement	66,426[*1]
	93,165
Add: Adjusted for the Proposed Acquisition	10,227[*2]
	103,392
Less: Amount to be capitalised pursuant to the Proposed Bonus Issue	(17,605)
After the Proposed Bonus Issue	**85,787**

Notes:-

*1 *Based on the 56,980,000 OCK Shares issued at RM1.30 per Share which represents a discount of approximately 7.80% and 9.72% to the five (5)-day WAMP of OCK Shares up to and including 28 May 2014 of RM1.41 and 13 June 2014 of RM1.44, respectively, and after deducting expenses of approximately RM1.95 million incurred in relation to the Private Placement*

*2 *Based on 10,227,272 OCK Shares to be issued at an issue price of RM1.10 per Share for the partial settlement of the Purchase Consideration*

Pursuant to Rule 6.31(1) of the Listing Requirements, a listed issuer intends to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue is unimpaired by losses on a consolidated basis, where applicable, based on the listed issuer's latest audited financial statements as well as its latest quarterly report.

Based on OCK's audited consolidated financial statements for the FYE 31 December 2013 and the latest unaudited financial statements for the three (3)-month FPE 31 March 2014, the Board confirms that the reserves available to be capitalised for the Proposed Bonus Issue are unimpaired by losses on a consolidated basis and that the share premium of the Company is adequate for the capitalisation of the Proposed Bonus Issue, in accordance to Rule 6.31(1) of the Listing Requirements.

2.2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up OCK Shares, except that the Bonus Shares will not be entitled to any Distribution that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of the allotment and issuance of the Bonus Shares.

For the avoidance of doubt, the Consideration Shares shall be entitled to the Proposed Bonus Issue.

2.2.4 Listing of the Bonus Shares

The approval has been obtained from Bursa Securities vide its letter dated 30 July 2014 for the listing of and quotation for the Bonus Shares on the ACE Market/ Main Market of Bursa Securities depending on the timing of the listing of the Bonus Shares.

2.3 Proposed ESOS

The Proposed ESOS entails an issuance of up to 10% of the issued and paid-up share capital of OCK as and when the ESOS Options to be granted are exercised during the duration of the Proposed ESOS.

The Proposed ESOS involves the granting of ESOS options to the employees and the Directors of OCK and its subsidiary companies, which are not dormant, who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws of the Proposed ESOS to subscribe for new OCK Shares at specified prices to be determined in the manner set out in Section 2.3.5 of this Circular.

The Proposed ESOS will be administered by the Option Committee and governed by the By-Laws, a draft of which is set out in Appendix V of this Circular.

2.3.1 Maximum number of OCK Shares available under the Proposed ESOS

The total number of new OCK Shares, which may be allotted pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point in time during the existence of the Proposed ESOS.

2.3.2 Basis of allotment and maximum allowable allotment

The maximum number of new OCK Shares that may be offered to an Eligible Person shall be determined at the discretion of the ESOS Committee after taking into consideration, where relevant, the performance, contribution, employment grade, seniority and length of service of the Eligible Person and shall be subject to the following:-

i. The Directors and senior management do not participate in the deliberation or discussion of their own allocation;

ii. The allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the issued and paid-up share capital of OCK, must not exceed 10% of the new OCK Shares available under the Proposed ESOS; and

iii. Not more than 60% of the ESOS Shares available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of OCK and its subsidiary companies, which are not dormant.

The Option Committee shall have the discretion in determining whether the granting of the ESOS Options to the Eligible Persons, will be based on staggered granting over the duration of the Proposed ESOS, of which such determination will be carried out by the Option Committee at a later date.

The Option Committee also has the discretion to determine whether the Options are subject to any vesting period and if so the vesting conditions and whether such vesting are subject to performance target.

2.3.3 Eligibility

Only employees, executive Directors and non-executive Directors of OCK and its subsidiary companies, which are not dormant, who meet the following conditions as at the Date of Offer are eligible to participate in the Proposed ESOS:-

i. Employees

a) is at least 18 years of age;

b) is employed full-time by and on the payroll of a company in OCK and/ or its subsidiary companies, which are not dormant; and

c) has been in the employment of OCK and/ or its subsidiary companies, which are not dormant, for a period of at least six (6) months of continuous service prior to and up to the Date of Offer, including service during the probation period and falls within any other criteria that the Option Committee may from time to time determine at its discretion.

ii. Executive/ non-executive Director

a) is at least 18 years of age;

b) has been appointed as an executive/ non-executive Director in OCK and/ or its subsidiary companies, which are not dormant, for a period of at least three (3) months; and

c) must have their entitlements under the ESOS approved by the shareholders of the Company in a general meeting.

Eligibility, however, does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Proposed ESOS and an Eligible Person does not acquire or have any right over or in connection with the Options or the ESOS Shares comprised therein unless an Offer has been made in writing by the Option Committee to the Eligible Person under the By-Laws and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Proposed ESOS.

The selection of any Eligible Person to participate and number of Options to be offered under the Proposed ESOS shall be at the sole and absolute discretion of the Option Committee and the decision of the Option Committee shall be binding and final.

2.3.4 Duration

The Proposed ESOS, when implemented, shall be in force for a period of five (5) years from the Effective Date.

On or before the expiry of the Effective Date, the Proposed ESOS may be extended by the Board at its absolute discretion, without having to obtain approval from the Company's shareholders, for a further period of up to five (5) years immediately from the expiry of the first five (5) years, but will not in aggregate exceed 10 years from the Effective Date or such longer period as may be allowed by the relevant authorities.

2.3.5 Basis of determining the subscription price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the subscription price shall be the higher of:-

i. The five (5)-day WAMP of OCK Shares immediately preceding the Date of Offer, with a discount of not more than 10% at the ESOS Committee's discretion; or

ii. The par value of OCK Shares.

2.3.6 Acceptance

An Offer made by the Option Committee to an Eligible Person under the Proposed ESOS shall be in writing. An Offer made by the Option Committee to an Eligible Person under the By-Laws shall be valid for a period of 30 days from the Date of Offer or such longer period as may be determined by the Option Committee on a case-to-case basis at its discretion ("Prescribed Period"), and shall be accepted within this Prescribed Period by the Eligible Person to whom the Offer is made by a written notice to the Option Committee in such form as prescribed by the Option Committee of such acceptance and accompanied by a payment to the Company of a non-refundable cash consideration of RM1.00 only for the grant of the Option. The day of receipt of such written notice shall constitute the Date of Acceptance.

If the Offer is not accepted in the aforesaid manner, the Offer shall automatically lapse upon the expiry of the Prescribed Period and shall be null and void and be of no effect, and the ESOS Shares comprised in such Options may, at the discretion of the Option Committee, be re-offered to other Eligible Persons.

Within 30 days from the Date of Acceptance or such longer period as may be determined by the Option Committee on a case-to-case basis at its discretion, the Option Committee shall issue to the Grantee an option certificate in such form as may be determined by the Option Committee.

2.3.7 Amendments and/ or modifications

Subject to the compliance with the Listing Requirements and any other relevant authorities, the Option Committee may, at any time and from time to time, recommend to the Board any additions and amendments to or deletions of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of the By-Laws upon such recommendation provided that no additions or amendments to or deletions of the By-Laws shall be made which will:-

i. prejudice any rights of the shareholders of the Company which would have accrued to any Grantee without his prior consent; or

ii. increase the number of OCK Shares available under the Proposed ESOS beyond the maximum imposed by the By-Laws; or

iii. provide an advantage to any Grantee or group of Grantees or all Grantees,

unless shareholders' approval is obtained at a general meeting.

Where any amendments and/ or modifications are made to the By-Laws, the Company shall submit to Bursa Securities, the amendments and/ or modifications to the By-Laws and a confirmation letter that the amendments and/ or modifications complies with the provisions of the guidelines on the Proposed ESOS stipulated under the Listing Requirements no later than five (5) Market Days from the effective date of the said amendments and/ or modifications.

2.3.8 Ranking of the ESOS Shares

The Grantees will not be entitled to any voting right or participation in any form of distribution and/ or offer of further securities in the Company until and unless such Grantees exercise their ESOS Options into new OCK Shares.

The new OCK Shares arising from the exercise of the ESOS Options will, upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up OCK Shares, save and except that the new OCK Shares will not be entitled to any Distribution that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of the issuance and allotment of the new OCK Shares. The new OCK Shares will be subject to all provisions of the Memorandum and Articles of Association of OCK and such amendments thereafter, if any.

2.3.9 Holding of ESOS Options and ESOS Shares

Pursuant to the Listing Requirements, an eligible Director who is a non-executive Director of OCK and/ or any of its subsidiary companies, which are not dormant, shall not sell, transfer or assign the OCK Shares obtained through the exercise of the ESOS Options offered to him/ her within one (1) year from the Date of Offer.

Save for the non-executive Directors, the new OCK Shares allotted and issued to the Grantees pursuant to the exercise of the ESOS Options will not be subject to any holding period or restriction on transfer, disposal and/ or assignment.

2.3.10 Listing of and quotation for the ESOS Shares

The approval has been obtained from Bursa Securities vide its letter dated 30 July 2014 for the listing of and quotation for the ESOS Shares on the ACE Market/ Main Market of Bursa Securities depending on the timing of the listing of the ESOS Shares.

2.3.11 Utilisation of proceeds

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the subscription price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of OCK Group, as and when received, within the tenure of the ESOS. As such, the exact timeframe for utilisation of the proceeds is not determinable at this juncture.

The proceeds for working capital will be utilised to finance the Group's day-to-day operations. These expenses include, amongst others, payment to creditors and suppliers, staff costs, utility costs and marketing expenses.

The estimated expenses from the Proposed ESOS amounts to RM30,000.

2.4 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital involves the increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 OCK Shares to RM100,000,000 comprising 1,000,000,000 OCK Shares by way of creation of additional 500,000,000 new OCK Shares, to cater for any increases in the share capital of the Company pursuant to the Proposed Acquisition, Proposed Bonus Issue, the Proposed ESOS and any other future corporate exercises involving issuance of new OCK Shares.

2.5 Proposed Amendments

The Proposed Amendments involve the consequential amendments to the Memorandum and Articles of Association of OCK to facilitate the implementation of the Proposed Increase in Authorised Share Capital, the Proposed ESOS and the Proposed Transfer.

The Memorandum and Articles of Association of OCK is proposed to be amended as follows:-

	Existing	Proposed
i.	**Clause 6**	**Clause 6**
	The capital of the Company is **RM50,000,000.00** (Ringgit Malaysia) divided into **500,000,000** shares of **RM0.10** each. The shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is **Ringgit Malaysia One Hundred Million** only (**RM100,000,000.00)** divided into **One Billion** (**1,000,000,000)** ordinary shares of **Ten Sen** (**RM0.10)** each, with full power to increase or reduce its capital and the shares in the original or any increased capital may divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.
ii.	**Article of Association – Clause 4 (3)**	**Article of Association – Clause 4 (3)**
	(a) No director shall participate in an issue of shares or Share Issuance Scheme of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director and he holds office in the Company in an executive capacity Provided Always that a non-executive Director may participate in an issue of shares or options pursuant to a public offer or public issue.	Deleted

iii.	**Article No. 2**		**Article No. 2**		
	"Listing Requirements"	Bursa Malaysia Securities Berhad's Listing Requirements for the ACE Market including any relevant practice and/ or practice notes, directives, guidelines issued pursuant thereto and any amendments that may be made from time to time.		"Listing Requirements"	The Main Market Listing Requirements of the Exchange including any amendment thereto that may be made from time to time.
	"Market Day"	A day on which the ACE Market is open for trading in securities		"Market Day"	A day on which the stock market of the Exchange is open for trading in securities
iv.	**Article No. 154(7)**		**Article No. 154(7)**		
	For the purpose of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market including any amendments to the Listing Requirements that may be made from time to time.		For the purpose of these Articles, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market including any amendments to the Listing Requirements that may be made from time to time.		

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Acquisition

OCK is principally an investment holding company while the principal activities of its subsidiary companies are provision of turnkey telecommunications network services, green energy and power solutions, trading of telecommunications network equipment and materials as well as provision of mechanical and electrical engineering services mainly in Malaysia.

Meanwhile, PMT is principally involved in provision of telecommunications solution. The details of the services provided by PMT are set out in Section 2.1.1 of this Circular. The Proposed Acquisition is in line with the Group's strategy to establish foothold regionally, as and when the opportunity arises, to gain exposure in the dynamic economies which is expected to enable the Group to bring sustainable long-term growth to its business. For information purposes, OCK has established a subsidiary company each in Myanmar, Cambodia and the People's Republic of China to undertake telecommunication network related services.

Given the product and services offering by PMT as well as its geographical coverage in Indonesia as set out in Appendix I of this Circular, the Proposed Acquisition represents an opportunity for OCK to tap into the Indonesian telecommunication industry, where at present it does not have a footprint, to expand the business geographically and to improve its presence regionally. In doing so, OCK is well-placed to create further value for its shareholders by participating in the growth potential in Indonesian telecommunications industry.

Further, as set out in Appendix I of this Circular, PMT had recorded a revenue of IDR39,099 million (or approximately RM10.75 million) and a PAT of IDR7,080 million (or approximately RM1.95 million) for the latest audited FYE 31 December 2013. Upon completion of the Proposed Acquisition, PMT will become a 85%-owned subsidiary company of OCK Group, allowing OCK Group to consolidate the results of PMT. Barring any unforeseen circumstances, the Proposed Acquisition is expected to be earnings accretive as set out in Section 6.3 of this Circular, thus enhancing shareholders' value of OCK in the medium to long term.

The partial settlement of the Purchase Consideration via the issuance of Consideration Shares will enable the Group to strengthen the financial position of OCK (as detailed in Section 6.2 of this Circular) without immediate impact on the cashflow and gearing of OCK as opposed to full settlement in cash or via bank borrowings.

3.2 Proposed Bonus Issue

After due consideration, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue of rewarding the shareholders of the Company for their continuous support while at the same time enhance the Company's capital base as the Proposed Bonus Issue will:-

i. Increase the Company's issued and paid-up share capital to a level which would be more reflective of its current scale of operations and assets employed;

ii. Enlarge the number of ordinary shares in the Company held by the Company's shareholders, albeit without increasing the percentage equity interest; and

iii. Be able to encourage trading liquidity of the ordinary shares of the Company on Bursa Securities and greater participation by investors as well as potentially broadening the shareholder base of the Company.

3.3 Proposed ESOS

The implementation of the Proposed ESOS primarily serves to align the interests of the Eligible Persons to the corporate goals of OCK Group. The Proposed ESOS will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:-

i. To recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of OCK Group;

ii. To motivate the Eligible Persons towards improved performance through greater productivity and loyalty;

iii. To inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company;

iv. To retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and

v. To reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of the Company's shares.

The Proposed ESOS is also extended to the non-executive Directors of OCK and its subsidiary companies, which are not dormant, as they discharge important functions, and their services and contributions are valued by the Group.

3.1 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is undertaken to cater for any increases in the share capital of the Company pursuant to the Proposed Acquisition, the Proposed Bonus Issue, the Proposed ESOS and any other future corporate exercises involving issuance of new OCK Shares.

3.2 Proposed Amendments

The Proposed Amendments are undertaken to:-

i. Facilitate the implementation of the Proposed Increase in Authorised Share Capital;

ii. Allow the Company to extend the ESOS Options which may be granted to the eligible non-executive Directors of OCK and its subsidiary companies, which are not dormant, under the Proposed ESOS; and

iii. Facilitate the implementation of the Proposed Transfer.

4. INDUSTRY OUTLOOK, PROSPECTS AND FUTURE PLANS OF PMT

4.1 Indonesian economy outlook

Bank Indonesia expects to see more balanced growth in 2014 that will lead to strengthened economic stability. Indonesia's economy is expected to grow in the range of 5.5%-5.9% with more balanced sources of growth between external and domestic demand.

In the medium term, economic growth is projected to accelerate gradually towards a more robust yet sustainable pace, supported by more favourable global economic prospects and expedited reform.

Such positive medium-term economic growth outlook is buttressed by expected sustained improvement in the global economic conditions. Advanced economies are projected to fully recover from deflationary threats as growth accelerates. The international oil price is projected to rebound, while the prices of non-oil and gas commodities will recover, albeit at a limited pace.

The favourable medium term economic outlook is also underpinned by the expected continuation of economic reform aimed at strengthening the fundamental supports for sustained economic growth. The Indonesian government is expected persevere with initiatives to develop key basic enablers, namely infrastructure, human capital, institutions and technology. Such initiatives will manifest through implementation of the Third National Medium-Term Development Plan for 2015 - 2019 as well as the Masterplan for the Acceleration and Expansion of Economic Development in Indonesia for 2011-2025. The Indonesian government will also continue implementation of various policies, fiscal and sectoral, in order to promote the expanding role of the private sector in economic development. In addition, fiscal policy will be geared towards strengthening development financing to sustain industrialisation.

If the range of aforementioned initiatives is implemented fully, the availability and quality of basic enabling factors for sustained economic growth are expected to improve significantly and be more sparsely distributed, hence advancing development in all economic corridors in various regions of the archipelago. Accordingly, the successful implementation of reform will subsequently reinforce the capabilities and capacity of the domestic manufacturing sector, thereby enabling the sector to adapt to the challenges of global competition. Furthermore, private investment, both Foreign Direct Investment (FDI) and domestic, is expected to increase and expand in line with more favourable conditions pertaining to the basic enablers for growth. Growth of export oriented high value added industries is expected to accelerate, supported by the expansion of raw materials and intermediate goods industries. Such improvements in the production side will subsequently be mirrored by increased growth of manufacturing exports as well as the use of processed raw materials and manufactured intermediate goods from domestic sources, which will ultimately help to strengthen the overall posture of the current account.

Based on the global and domestic assumptions, domestic economic growth is projected to reach 6.5% by 2018 with inflation tamed at a low rate, and current account deficit to Gross Domestic Product ("GDP") ratio reduced. The level of productivity will increase, as reflected by gains in capability and capacity of the manufacturing sector. The structure of exports will shift away from raw primary commodities towards commodities with greater value added that are human capital, technology and innovation intensive.

Meanwhile, demand for processed raw materials and intermediate manufactured goods will gradually be met by domestic producers. Enhanced economic productivity coupled with policy consistency by fiscal, monetary and financial services authorities to maintain macroeconomic and financial system stability will support the internal balance as shown by inflation contained within its medium-term target range of 3.5±1%. In addition, income per capita (measured in constant United States Dollars) will continue to rise and inequality will start to decline, suggesting much lesser probability of the economy to fall into the middle income trap.

(Source: Economic Report on Indonesia 2013, Chapter 15 - Medium-Term Economic Outlook and Structural Reform)

4.2 Outlook of the telecommunication industry in Indonesia

Indonesian Cellular Telecommunication Association ("ATSI") assessed the growth of the telecommunications industry in 2014 will be in the range of seven (7) to eight (8) percent. The growth would be driven by Indonesia's GDP increase which is estimated to grow at over six (6) percent per year.

Head of the ATSI, said growth of the telecommunications industry in 2014 is expected to be positive because there is a tendency of improved development supported by well-maintained macroeconomic.

(Source: Indonesia Finance Today, 25 November 2013)

The Indonesian government has traditionally been supportive of information and communication technology ("ICT") development. Internet penetration has increased since the beginning of the century, from less than 1 percent in 2000 to 15.36 percent in 2012. Cellular phone penetration has increased at an exponential rate over the same time period, from 1.72 to 115.20 cellular phone subscriptions per 100 inhabitants. The Indonesian government is planning to increase basic telephone services to thousands of villages across the country and is trying to increase Internet penetration to the country's easternmost islands.

The Indonesian government is working toward building ICT infrastructure and services to connect the archipelagic country from Sabang to Merauke. Indonesia's youthful population ensures that technologies like the Internet are being adopted quickly. By the end of 2013, Indonesia's Internet penetration rate is expected to reach 33 percent, or roughly 80 million users. The business community's role is crucial in ensuring that the growth in accessibility and Internet usage is achieved.

(Source: Islands of Control, Islands of Resistance: Monitoring the 2013 Indonesian Internet Governance Forum, Citizen Lab Research Brief No. 29, January 2014)

Consumer information technology (IT) spending is predicted to reach United States Dollar 7.8 billion by the end of this year, with the lion's share going to the purchase of mobile phones, followed by tablets and personal computers. International Data Corporation (IDC) Indonesia anticipates a total 55-60 million mobile devices will be shipped by the end of 2014, with close to 15 million being smartphones and 4 million of them being tablet devices.

(Source: The Jakarta Post, 2 June 2014)

Indonesia, home to 240 million people, saw 82 million people connected to the Internet as of May, a surge from the 71.19 million throughout 2013, data from the Communication and Information Ministry shows.

(Source: The Jakarta Post, 4 June 2014)

Asosiasi Penyelenggara Jasa Internet Indonesia ("APJII") predicted that the number of internet users will reach 139 million by the end of 2015.

(Sources: APJII's website and http://broadbandasia.info/wp-content/uploads/2014/04/Indonesian-National-Broadband-Initiative.pdf)

4.1 Prospects and future plans of PMT

The generally favourable outlook of the telecommunications industry in Indonesia coupled with PMT's product and services offering as well as its geographical coverage in Indonesia as detailed in Appendix I of this Circular are expected to contribute positively to PMT's business.

Within the next three (3) years, PMT expects to continue to derive its future revenue, mainly from managed services and network turnkey services. PMT aims to continue to adopt the latest industry methodologies framework and maintain its operational standards while leverages on its customer relationship management in order to secure future service contracts from a diversified customer base.

The future plans of PMT encompass the two (2) areas as set out below:-

i. Business expansion strategy

PMT plans to expand the geographical coverage of its managed services and network turnkey services to other region in Indonesia such as:-

- North, Central and South Sumatra;
- East, West and Central Java;
- Jabo;
- Sulawesi; and
- Kalimantan

The aforementioned expansion is expected to strengthen its position towards becoming a major managed services provider in Indonesia. In line with the expansion into the aforementioned regions, PMT expects to provide support for approximately 10,000 telecommunication network sites by year 2015. PMT is currently servicing approximately 6,000 telecommunication network sites as at the LPD. PMT has been actively marketing its managed services in the aforesaid region.

ii. Human resource development strategy

PMT will continuously build and develop the relevant skill sets of its staff to support and grow its operations by hiring skilful workers and providing training to its key staff. This strategy will be implemented on a continuous basis.

There shall be no upfront commitment in terms of financial resources to realise the future plans of PMT. These future plans will be financed by way of PMT's internally generated funds and/ or bank borrowings. As the aforementioned plan will be implemented on a continuous basis as and when required, the management of PMT is unable to determine the exact amount required to realise the future plans as at the LPD.

Premised on the above and the outlook of the telecommunication industry in Indonesia, the prospects of PMT are expected to be positive.

(Source: Management of PMT)

Barring any unforeseen circumstances, the Board after having considered all the relevant aspects, including the aforementioned prospects PMT as well as industry outlook as set out in Section 4.1 of this Circular, is of the opinion that the Proposed Acquisition is expected to contribute positively to the future earnings of the Group and to enhance the shareholders' value of OCK in the medium to long term.

5. RISK FACTORS FOR THE PROPOSED ACQUISITION

5.1 Political and economic risks

The telecommunications industry is a regulated industry in Indonesia. Any changes in the political, economic and regulatory conditions in Indonesia in which PMT conducts business in, could materially and adversely affect the financial conditions of PMT. Amongst the economic, political and regulatory factors are changes in inflation rates, interest rates, war, terrorism activities, riots, expropriations, nationalisation, method of taxation, changes in political leadership and unfavourable changes in the Indonesian governments' policies in the telecommunications industry.

Save for the approval by BKPM and MOLHR for the change in the ownership in PMT to be obtained by the Vendors as set out in Section 2.1.12 of this Circular, there are no other governmental or regulatory consents, approvals, authorisations or orders required in Indonesia in connection with the Proposed Acquisition.

OCK Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that there will not be any introduction of new laws, policies, regulations and/ or rules or amendments to existing laws, policies, regulations and/ or rules or any other adverse political, economic changes in Indonesia which may have an adverse effect on the Proposed Acquisition and/ or OCK Group upon completion of the Proposed Acquisition.

5.2 Competition risks

PMT faces competition amongst the existing players and potential network services providers in Indonesia. There is also a potential risk of the technology providers entering the network services directly.

In view of the competitive market environment, PMT intends to sharpen its competitive edge by continually developing new measures to counter competition which will include, amongst others, maintaining good rapport with its customers and focusing on providing highly reliable services in a timely manner.

5.3 Rapid technology changes

The market for telecommunication services and products is characterised by continued evolution in technology, evolving industry standards, changes in customers' needs, stiff competition and frequent new product introductions. If PMT fails to adopt the new technology in a timely and cost-effective manner in response to these changes, PMT's customers may choose to use its competitors' services, which may adversely affect PMT's business, results of operations and financial conditions.

To mitigate the above risks, PMT constantly engages with its customers and keep abreast with the latest development in the relevant technology and the market trends to meet its customers' needs. However, there can be no assurance that these efforts will curb any negative impact on PMT's business and financial condition resulting from loss of customers due to this risk.

5.4 Dependence on major customers

PMT derives a significant portion of its income from its two (2) major customers, who collectively contributed more than 90% to PMT's revenue in FYE 31 December 2013. These customers are multinational companies ("MNC") providing telecommunications technology solutions to mobile network operators in Indonesia.

The customers may terminate the services of PMT in the event of non-fulfilment of the terms and conditions pursuant to the service contracts. The loss of key customer and/ or service contract, if not replaced, could materially and adversely affect PMT's financial position and results of operations.

Notwithstanding the above, PMT has been awarded several service contracts by these major customers since year 2011. Moving forward, PMT will endeavour to mitigate the risks by ensuring that all the terms and conditions pursuant to the service contracts are met as well as maintaining close working relationship with its customers to ensure issues, if any, with the service contracts can be addressed and resolved promptly. In addition, PMT shall endeavour to expand its customer base to minimise the dependency on either of its major customers moving forward by actively participating in and/ or submitting tenders for various telecommunications projects leveraging on its track record and building long-term relationship with its prospective and existing customers to procure new service contracts from an expanded customer base. In addition to its two (2) major customers, PMT has also been servicing other MNC providing telecommunications technology solutions to mobile network operators in Indonesia, mobile network operators and other telecommunications services contractor. As set out in Section 4.3 above, PMT also intends to expand its managed services and network turnkey services to other regions in Indonesia which could potential expand its customer base.

5.5 Acquisition risks

Although the Board believes that OCK Group may derive benefits from the Proposed Acquisition, there is no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate sufficient revenues pursuant to the Proposed Acquisition to offset the associated acquisition costs incurred or the current financial performance of PMT will be sustainable in the future. There is also no assurance that the OCK Group is able to maintain or improve the standards of quality and services of the business of PMT.

However, the Company has mitigated such risk by adopting prudent investment strategies as well as conducting assessment and review on PMT's current capabilities in terms of processes, assets, equipment and technologies and management leadership prior to making its investment decisions.

5.6 Dependence on key personnel

PMT's future success will depend upon its ability to attract and retain its key personnel. The loss of key personnel of PMT may have an unfavourable and material impact on the performance of PMT as the continued success of the business is considerably dependent on the combined efforts of the management team of PMT.

PMT currently enjoys cordial relationships with its employees and will endeavour to continue its effort to maintain such relationships. In addition, PMT has implemented the following steps to retain its employees:-

i. To communicate the company value to its employees, to cultivate positive attitude and a sense belonging as well as to provide a proper office environment;

ii. To have yearly staff performance assessment and continuously enhancing the staff benefit program to be in line with prevailing practice in the market; and

iii. To encourage the management personnel to further enhance their skill and knowledge, by subsidising the personnel to undertake further studies.

As set out in Section 2.1.1 of this Circular, the Lim Hooi Seeh's remaining 15% equity stake in PMT would also give additional assurance and comfort to the Board on the continuation of business and key management of PMT.

5.7 Foreign exchange risk

The operating and reporting currency of PMT is denominated in IDR. As OCK will be consolidating the financial results of PMT as PMT will become a 85%-owned subsidiary company of OCK upon the completion of the Proposed Acquisition, any fluctuation of the IDR against RM may impact the profits and financial position of OCK Group, arising from such consolidation, when translating to RM terms.

There can be no assurance that fluctuation in foreign exchange rates will not have a material and adverse effect on OCK Group's financial performance. Nevertheless, the Group will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate the translation foreign exchange risk exposures.

6. EFFECTS OF THE PROPOSALS

The Proposed Increase in Authorised Share Capital and the Proposed Amendments will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company, the NA and gearing, and the earnings and EPS of the Group.

6.1 Issued and paid-up share capital

The proforma effects of the Proposed Acquisition, the Proposed Bonus Issue and the Proposed ESOS on the issued and paid-up share capital of OCK are set out below:-

	No. of Shares	RM
Issued and paid-up share capital as at 11 July 2014	341,880,000	34,188,000
Shares to be issued pursuant to the Proposed Acquisition	10,227,272	1,022,727
	352,107,272	35,210,727
Shares to be issued pursuant to the Proposed Bonus Issue	176,053,636	17,605,364
	528,160,908	52,816,091
Shares to be issued arising from the full exercise of ESOS Options[*1]	52,816,090	5,281,609
Enlarged issued and paid-up share capital	**580,976,998**	**58,097,700**

Note:-

*1 *Assuming that the number of ESOS Options granted amounts to 10% of the issued and paid-up share capital of the Company*

6.2 NA per Share and gearing

Based on the latest audited consolidated statement of financial position of OCK Group as at 31 December 2013, the proforma effects of the Proposed Acquisition and the Proposed Bonus Issue on the NA per Share and gearing of the Group are set out below:-

	Audited as at 31 December 2013 RM'000	I After the Private Placement RM'000	II After I and the Proposed Acquisition RM'000	III After II and the Proposed Bonus Issue RM'000
Share capital	28,490	34,188	35,211	52,816
Share premium	26,739	93,165[*1]	103,392[*3]	85,787[*6]
Foreign currency translation reserve	(26)	(26)	(26)	(26)
Revaluation reserve	3,280	3,280	3,280	3,280
Reserve arising from reserve acquisition	(17,007)	(17,007)	(17,007)	(17,007)
Retained earnings	38,258	38,258	37,588[*4]	37,588
Shareholders' fund/ NA	**79,734**	**151,858**	**162,438**	**162,438**
No. of shares in issue ('000)	284,900	341,880	352,107	528,161
NA per share (RM)	0.28	0.44	0.46	0.31
Total borrowings (RM'000)	60,436	52,436[*2]	62,894[*5]	62,894
Gearing ratio (times)	0.76	0.35	0.39	0.39

Notes:-

*1 *Based on 56,980,000 OCK Shares issued at RM1.30 per Share and after deducting expenses of approximately RM1.95 million incurred in relation to the Private Placement*

*2 *For illustrative purposes, assuming the proceeds arising from the Private Placement is utilised for the partial repayment of borrowings amounting to RM8.00 million at this juncture, as detailed in the Circular to shareholders relating to the Private Placement dated 12 May 2014*

*3 *Based on 10,227,272 OCK Shares to be issued at an issue price of RM1.10 per Share for the partial settlement of the Purchase Consideration*

*4 *After deducting estimated expenses of RM0.67 million incurred in relation to the Proposals*

*5 *Including the total interest-bearing borrowings of PMT amounting to approximately RM0.46 million and bank borrowings to be procured by OCK to finance the RM10.00 million cash payment for the purchase consideration pursuant to the Proposed Acquisition at an estimated financing cost of 6% per annum*

*6 *After the capitalisation of approximately RM17.61 million pursuant to the Proposed Bonus Issue*

The Proposed ESOS is not expected to have an immediate effect on the NA per Share and gearing of the Group until such time when the ESOS Options to be granted under the Proposed ESOS are exercised. The effects on the NA per Share and gearing of the Group will depend on the subscription price of the ESOS Options, the number of new OCK Shares to be issued upon the exercise of the ESOS Options and the potential effect on the future earnings of the Group arising from the adoption of the Malaysian Financial Reporting Standards ("MFRS") 2 as set out in Section 6.3 of this Circular.

Nevertheless, the Company has taken note of the potential impact of the MFRS 2 on OCK Group's future NA per Share and shall take into consideration such impact on the allocation and granting of ESOS Options to the Eligible Persons.

6.3 Earnings and EPS

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the earnings of OCK Group for the FYE 31 December 2014 as the Proposed Acquisition is expected to be completed by the fourth quarter of 2014.

Purely for illustrative purposes only, assuming that the Proposed Acquisition had been effected on 1 January 2013 (being the date at the beginning of FYE 31 December 2013), the proforma effects of the Proposed Acquisition, after the Private Placement, on the EPS of OCK are as follows:-

	Audited FYE 31 December 2013 RM'000	**I After the Private Placement RM'000**	**II After I and the Proposed Acquisition RM'000**
PAT attributable to equity holders of OCK Group	13,582	13,582	12,982*1
PAT of PMT attributable to OCK Group pursuant to the Proposed Acquisition	-	-	1,655*2
Enlarged proforma PAT of OCK Group	13,582	13,582	14,637
No. of Shares in issue ('000)	284,900	341,880	352,107
EPS (sen)	4.77	3.97	4.16

Notes:-

*1 *After deducting the interest expenses amounting to RM600,000, assuming the financing costs from bank borrowing is 6% per annum based on the RM10 million cash payment for the purchase consideration pursuant to the Proposed Acquisition*

*2 *Based on OCK's 85% stake in PMT*

The Proposed Bonus Issue is not expected to have any material effect on the earnings of OCK Group for the FYE 31 December 2014. However, the Proposed Bonus Issue may result in a corresponding dilution in the EPS of the Group due to the increase in the number of OCK Shares in issue.

The Proposed ESOS may have an effect on the earnings of OCK Group for the FYE 31 December 2014 and up to 10 years due to the possible impact of the MFRS 2 on share-based payment. Any potential effect on the EPS of OCK Group in the future would depend on the number of ESOS Options granted and exercised, and the subscription price payable upon the exercise of the ESOS Options, as well as the impact of the MFRS 2 on share-based payment.

Pursuant to the MFRS 2 on the share-based payment, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each Date of Offer and is recognised in the statement of comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of OCK Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of OCK Shares, the risk-free rate, the subscription price of the ESOS Options and time to expiry of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of OCK Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

Nevertheless, the Company has taken note of the potential impact of the MFRS 2 on OCK Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options to the Eligible Persons.

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6.4 Substantial shareholdings structure

The effects of the Proposed Acquisition, the Proposed Bonus Issue and the Proposed ESOS on the substantial shareholders' shareholdings of the Company are set out below:-

	Shareholdings as at the LPD				I After the Proposed Acquisition			
	<---------Direct-------->		<----------Indirect------->		<----------Direct--------->		<---------Indirect-------->	
Substantial shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Aliran Armada Sdn Bhd	140,215,000	41.01	-	-	140,215,000	39.82	-	-
Ooi Chin Khoon	3,500,000	1.02	141,817,700[*1]	41.48	3,500,000	0.99	141,817,700[*1]	40.28
Abdul Halim Bin Abdul Hamid	-	-	140,215,000[*2]	41.01	-	-	140,215,000[*2]	39.82
Lembaga Tabung Angkatan Tentera ("LTAT")	63,867,700	18.68	-	-	63,867,700	18.14	-	-

	II After I and the Proposed Bonus Issue				III After II and assuming full exercise of the ESOS Options granted[*3]			
	<---------Direct-------->		<---------Indirect-------->		<----------Direct--------->		<---------Indirect-------->	
Substantial shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Aliran Armada Sdn Bhd	210,322,500	39.82	-	-	210,322,500	36.20	-	
Ooi Chin Khoon	5,250,000	0.99	212,726,550[*1]	40.28	5,250,000	0.90	212,726,550[*1]	36.62
Abdul Halim Bin Abdul Hamid	-	-	210,322,500[*2]	39.82	-	-	210,322,500[*2]	36.20
LTAT	95,801,550	18.14	-	-	95,801,550	16.49	-	

Notes:-

[*1] *Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd and of his brothers, Ooi Cheng Wah and Ooi Chin Lee's direct interest in OCK*

[*2] *Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd*

[*3] *Assuming none of the substantial shareholders, who are also the Eligible Persons, are granted any ESOS Options*

Neither of the Vendors will emerge as a substantial shareholder of OCK pursuant to the Proposed Acquisition. The Vendors will collectively hold 10,227,272 OCK Shares, representing 2.90% of the enlarged issued and paid-up share capital of OCK upon completion of the Proposed Acquisition.

6.5 Convertible securities

As at the date of this Circular, the Company does not have any existing convertible securities.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest closing prices of OCK Shares for the past approximately 12 months as traded on Bursa Securities from August 2013 to July 2014 are as follows:-

	High RM	Low RM
2013		
August	0.73	0.52
September	0.73	0.62
October	0.82	0.68
November	0.85	0.77
December	0.87	0.74
2014		
January	0.80	0.75
February	0.85	0.76
March	1.29	0.75
April	1.44	1.20
May	1.52	1.27
June	1.50	1.39
July	1.60	1.41
Last transacted market price on 28 April 2014 (being the date prior to the announcement on the SSA)		1.25
Last transacted market price on the LPD		1.44

(Source: Bloomberg)

8. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

i. Bursa Securities, for the listing of the Consideration Shares, Bonus Shares and the ESOS Shares on the ACE Market/ Main Market of Bursa Securities depending on the timing of the listing of the said OCK Shares, was obtained vide its letter dated 30 July 2014, subject to the following conditions:-

	Conditions	Status of compliance
a)	OCK and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisition and Proposed Bonus Issue;	Noted
b)	RHBIB is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation	To be complied
c)	OCK and RHBIB to inform Bursa Securities upon the completion of the Proposed Acquisition, Proposed Bonus Issue and Proposed ESOS	To be complied
d)	OCK to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition, Proposed Bonus Issue and Proposed ESOS are completed	To be complied

	Conditions	Status of compliance
e)	OCK and RHBIB to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed Acquisition and Proposed ESOS	To be complied
f)	OCK and RHBIB are required to make the relevant announcements pursuant to Rule 6.36(2)(a) & (b) and 6.36(4) of the Listing Requirements	To be complied
g)	OCK is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the ESOS, as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

ii. The shareholders of OCK, for the Proposals at an extraordinary general meeting of the Company to be convened; and

iii. Any other relevant authority, if required.

The conditionality of the Proposals is set out below:-

i. The Proposed Acquisition, the Proposed Bonus Issue and Proposed ESOS are conditional upon the Proposed Increase in Authorised Share Capital and the Proposed Amendments, and vice versa;

ii. The Proposed Acquisition, the Proposed Bonus Issue and the Proposed ESOS are not conditional upon each other, whereas the Proposed Increase in Authorised Share Capital and the Proposed Amendments are conditional upon each other; and

iii. The Proposed Transfer is conditional upon the Proposed Amendments (as set out in Sections 2.5 (iii) and (iv) of this Circular).

Save as disclosed above, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders of OCK and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed Acquisition, the Proposed Bonus Issue and the Proposed Increase in Authorised Share Capital, other than their respective entitlements under the Proposed Bonus Issue, for which all shareholders of OCK are entitled to.

In addition, none of the executive Directors, major shareholders of OCK and/ or person connected to them have any interest, whether direct or indirect, in the Proposed Amendments.

Save for Rear Admiral Dato' Mohd Som Bin Ibrahim (Retired), all the Directors of OCK are eligible to participate in the Proposed ESOS ("Eligible Directors") and are therefore deemed interested to the extent of their respective allocations under the Proposed ESOS. Notwithstanding this, all the Eligible Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to the shareholders of the Company for their consideration and approval.

All the Eligible Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective entitlements and the entitlements of persons connected to them under the Proposed ESOS at the relevant Board meetings.

In addition to the above, save for Rear Admiral Dato' Mohd Som Bin Ibrahim (Retired), all the non-executive Directors of OCK are deemed interested in the Proposed Amendments ("Eligible Non-Executive Directors"), as set out in Section 2.5(ii) of this Circular, to facilitate the allocation of ESOS Options to non-executive Directors. As such, all the Eligible Non-Executive Directors have and will continue to abstain from all Board deliberations on the Proposed Amendments. Accordingly, the Eligible Non-Executive Directors of OCK shall also abstain from voting in respect of their direct and/ or indirect shareholdings, if any, at the forthcoming EGM on the special resolution pertaining to the Proposed Amendments. The Eligible Non-Executive Directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, in the Company on the special resolution pertaining to Proposed Amendments to be tabled at an EGM of the Company to be convened.

The Eligible Directors shall also abstain from voting in respect of their direct and/ or indirect shareholdings, if any, at the forthcoming EGM of the Company in respect of the ordinary resolutions to be tabled for their respective proposed allocation, if any, as well as the proposed allocations to the persons connected to them under the Proposed ESOS, if any. The Eligible Directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, in the Company on the ordinary resolutions pertaining to the Eligible Directors' respective proposed allocation and the proposed allocations to the persons connected to the Eligible Directors to be tabled at an EGM of the Company to be convened.

The major shareholders of OCK who are Eligible Persons, namely Ooi Chin Khoon and Abdul Halim Bin Abdul Hamid ("Interested Major Shareholders"), under the Proposed ESOS will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolution pertaining to the proposed allocation to them, as well as the proposed allocations to the persons connected to them under the Proposed ESOS, if any, to be tabled at an EGM of the Company to be convened. The Interested Major Shareholders will also undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the proposed allocation to the Interested Major Shareholders and the proposed allocations to the persons connected to the Interested Major Shareholders under the Proposed ESOS, if any, to be tabled at an EGM of the Company to be convened.

The shareholdings of the Eligible Directors and Interested Major Shareholders of OCK as at the LPD are set out below:-

	Shareholdings as at the LPD			
	<-----------Direct----------->		**<---------Indirect-------->**	
	No. of Shares	**%**	**No. of Shares**	**%**
Eligible Directors of OCK				
Dato' Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Abdul Halim Bin Abdul Hamid	-	-	140,215,000[*1]	41.01
Ooi Chin Khoon	3,500,000	1.02	141,817,700[*2]	41.48
Low Hock Keong	7,360,000	2.15	1,278,000[*3]	0.37
Chang Tan Chin	4,020,000	1.18	-	-
Chong Wai Yew	3,520,000	1.03	-	-
Fu Lit Fung	-	-	-	-
Lee Yow Fui	-	-	-	-

	Shareholdings as at the LPD			
	<-----------Direct----------->		<---------Indirect-------->	
	No. of Shares	%	No. of Shares	%
Interested Major Shareholders				
Ooi Chin Khoon	3,500,000	1.02	141,817,700[*2]	41.48
Abdul Halim Bin Abdul Hamid	-	-	140,215,000[*1]	41.01

Notes:-

[*1] *Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd*

[*2] *Deemed interested by virtue of his interest in Aliran Armada Sdn Bhd and of his brothers, Ooi Cheng Wah and Ooi Chin Lee's direct interest in OCK*

[*3] *Deemed interested in his mother, Hoh Moh Ying's direct shareholdings in OCK*

10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the fourth quarter of 2014. The tentative timetable in relation to the Proposed Bonus Issue is set out below:-

Month	Events
2 September 2014	• Convening of EGM to obtain the approval of shareholders of OCK
Mid October 2014	• Announcement of the Entitlement Date
Early November 2014	• Entitlement Date • Listing of the Bonus Shares • Completion of the Proposals

11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and the Proposed Transfer, the Board is not aware of any other corporate exercise that has been announced but not yet completed as at the date of this Circular.

12. DIRECTORS' RECOMMENDATION

The Board (save for the Eligible Non-Executive Directors, who are interested in the Proposed Amendments), having considered all aspects of the Proposals, including the rationale, future plans and prospects of PMT, risk factors and effects for the Proposals as set out in Sections 3, 4.3, 5 and 6 of this Circular, respectively, is of the opinion that the Proposals are in the best interest of the Company and the terms and conditions of the SSA are fair and reasonable.

The Eligible Directors have abstained and will continue to abstain from giving any opinion on their respective proposed allocations and the proposed allocation to the persons connected to them under the Proposed ESOS. In addition, the Eligible Directors have abstained and will continue to abstain from making any recommendation for voting in respect of the resolutions pertaining to their respective proposed allocations and the proposed allocation to the persons connected to them under the Proposed ESOS.

Accordingly, the Board (save for each Eligible Director who is interested in their respective proposed allocations and the proposed allocation to the persons connected to them under the Proposed ESOS and the Eligible Non-Executive Directors who are interested in the Proposed Amendments) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

13. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held at Redang Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 2 September 2014 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, speak and vote in person at the EGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instruction provided thereon so as to arrive at the Company's Registrar's office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the EGM. The lodging of the Form of Proxy does not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
OCK GROUP BERHAD

OOI CHIN KHOON
Managing Director

INFORMATION ON PMT

1. HISTORY AND BUSINESS

PMT was incorporated in the Republic of Indonesia on 27 July 2005 based on the Notarial Deed of Benny Lesmana, SH. MM Notary in Tangerang, No. 11. The Deed of establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in his decision letter No. C-26172 HT.01.01.TH.2005 dated 22 September 2005 under the name PT OCK Telecommunication. PMT has since then commenced its operation on 22 September 2005. PMT subsequently assumed its present name pursuant to the notarial deed of Notary Tri Firdaus Akbarsyh, SH in Jakarta, No. 09 dated 18 June 2012, following the acquisition of the entire issued and paid-up share capital by the Vendors.

PMT is principally involved in the provision of telecommunication solution services. The principal market for PMT's products and services offerings is Indonesia. As at the LPD, PMT has been servicing six (6) clients which include MNCs providing telecommunications technology solutions to mobile network operators in Indonesia, mobile network operators and other telecommunications services contractor and across the geographical areas such as:-

- Jakarta and outer city (Jabodetabek);
- West Java Region;
- East Java Region;
- North Sumatra;
- Central Sumatra;
- Riau Mainland;
- Riau Island;
- Bali Island; and
- Lombok Island

PMT's principal places of business are located at the following premises in Indonesia:-

Address	Purpose	Built-up area (square metres)	Owned/ rented
Pratra Jasa Office Tower 18th Floor, Room 1811 Jl.Jend. Gatot Subroto Kav 32- 34 Jakarta 12950	Main office	218	Rented
Komplek Angkasa Puri. Jl Nangka Blok H No. 10 Jati Asih - Bekasi 17422	Project Office (Outer Jakarta)	180	Rented
Jl Kembar Mas II No 10 Bandung	Project Office (West Java)	125	Rented
Jl Jaya Giri XXII No 8, Denpasar Bali	Project Office (Bali)	150	Rented
Perum Pagutan Permai. Jl Segara Anak I/28 Mataram, Lombok	Project Office (Lombok)	120	Rented
Jl Kaswari Arifin ahmad RT 06/05 Sidomulyo Timur Marpoyan Damai, Pekan Baru, Riau	Project Office (Riau Mainland)	150	Rented
Komplek Citra Batam, Blok D No 5 Batam Centre, Batam 29410	Project Office (Riau Island, Batam)	100	Rented
Komplek Puri Tanjung Sari No. 52, Medan Selayang - Medan	Project Office (North Sumatra)	100	Rented

As at the LPD, PMT has submitted the tenders for the following projects

Client identity	Job Scope	Location	Commencement date	Tenure	Renewable
MNC providing telecommunications technology solutions to mobile network operators in Indonesia	Managed services	Throughout Indonesia[*1]	September 2014	One (1) year	No
MNC providing telecommunications technology solutions to mobile network operators in Indonesia	Network turnkey services (Project roll-out)	North Sumatra, West Java, Jabodetabek	September 2014	One (1) year	No
MNC providing telecommunications technology solutions to mobile network operators in Indonesia	Network turnkey services (Project roll-out)	Sumatra and Java	October 2014	One (1) year	No
MNC providing telecommunications technology solutions to mobile network operators in Indonesia	Network turnkey services (Project roll-out)	Throughout Indonesia[*1]	October 2014	One (1) year	No

Note:-

*1 *PMT is required to service any area within Indonesia as and when the needs arise*

It should be noted that there are no indications on the value of the contracts as the value for such services and/ or equipment provided depends on the volume of work requested by the telecommunication technology and networks providers as well as the scope of services rendered by PMT within the duration of the respective contracts.

There was no R&D expenditure incurred by PMT for the past three (3) financial years up to FYE 31 December 2013.

2. SHARE CAPITAL

As at the LPD, the authorised as well as the issued and paid-up share capital of PMT, which consists of one (1) class of share, is as follows:-

	No. of ordinary shares of IDR 9,780 each	Total IDR
Authorised as well as issued and paid-up share capital	100,000	978,000,000

3. SHAREHOLDERS AND BOARD OF DIRECTORS

The shareholders and directors of PMT and their respective shareholdings in PMT as at the LPD are set out below:-

		<---------Direct-------->		<-------Indirect------>	
Directors and shareholders	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Song Chin Yew	Malaysian	75,000	75.00	-	-
Lim Hooi Seeh	Malaysian	25,000	25.00	-	-

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, PMT does not have any subsidiary or associate companies.

5. MATERIAL COMMITMENTS

As at the LPD, the board of directors of PMT is not aware of any material commitments incurred or known to be incurred by PMT which, upon becoming enforceable, may have a material impact on the financial results/ position of PMT.

6. CONTINGENT LIABILITIES

As at the LPD, the board of directors of PMT is not aware of any contingent liabilities incurred or known to be incurred by PMT which, upon becoming enforceable, may have a material impact on the financial results/ position of PMT.

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7. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of PMT for the past three (3) financial years up to FYE 31 December 2013 and the latest quarterly results for the three (3)-month FPE 31 March 2014 are set out below:-

	Audited						Unaudited three (3)-month FPE 31 March 2014[*4]	
	FYE 31 December							
	2011		2012		2013			
	IDR' million	RM'000	IDR' million	RM'000	IDR' million	RM'000	IDR' million	RM'000
Revenue	3,018	830	24,188	6,652	39,099	10,752	14,011	3,853
PBT/ (LBT)	(296)	(81)	1,275	351	8,914	2,451	4,420	1,216
PAT/ (LAT)	(296)	(81)	884	243	7,080	1,947	3,505	964
Gross EPS/ (LPS)[*1]	(2,960)	-[*2]	12,750	4	89,140	25	44,200	12
Net EPS/ (LPS)[*1]	(2,960)	-[*2]	8,840	2	70,800	19	35,050	10
Share capital	978	269	978	269	978	269	978	269
Shareholders' funds/ NA	1,042	287	1,926	530	9,006	2,477	13,426	3,692
Number of ordinary shares in issue	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
NA per share[*1]	10,420	3	19,260	5	90,060	25	134,260	37
Current ratio (times)	0.55	0.55	1.07	1.07	1.58	1.58	3.71	3.71
Total interest bearing borrowings	Nil	Nil	Nil	Nil	1,666	458	489	134
Gearing ratio (times)	-[*3]	-[*3]	-[*3]	-[*3]	0.18	0.18	0.04	0.04

Notes:-

*1 *In IDR or RM*

*2 *Less than RM1*

*3 *Not applicable*

*4 *No quarterly report has been prepared for the corresponding period for the FYE 31 December 2013*

Commentary on past performance:-

<u>FYE 31 December 2011</u>

For the FYE 31 December 2011, PMT's revenue increased by IDR2,048 million or approximately 211.1% to IDR3,018 million as compared to the FYE 31 December 2010, due to new business strategy adopted whereby PMT focused on providing managed services to telecommunications network providers. Pursuant thereto, several managed service contracts are secured and serviced during the financial year.

PMT recorded a LBT of IDR296 million for the FYE 31 December 2011 as compared to a PBT of IDR33 million for the FYE 31 December 2010 despite increase in revenue mainly attributable to capital expenditure and operating expenditure for works implemented in relation to the new service contracts secured.

There was no exceptional or extraordinary item during the financial year under review. There was no accounting policy adopted by PMT which was peculiar to PMT because of the nature of the business or the industry it was involved in. There was no audit qualification of the financial statements of PMT for the financial year under review.

FYE 31 December 2012

For the FYE 31 December 2012, PMT's revenue increased by IDR21,170 million or approximately 701.5% to IDR24,188 million as compared to the FYE 31 December 2011 as PMT continued to secure and service several new managed service contracts across Indonesia.

PMT recorded a PBT of IDR1,275 million during the FYE 31 December 2012, as compared a LBT of IDR296 million for the FYE 31 December 2011, mainly attributed to increase in revenue pursuant to the implementation of works for new managed service contracts.

There was no exceptional or extraordinary item during the financial year under review. There was no accounting policy adopted by PMT which was peculiar to PMT because of the nature of the business or the industry it was involved in. There was no audit qualification of the financial statements of PMT for the financial year under review.

FYE 31 December 2013

For the FYE 31 December 2013, PMT's revenue increased by IDR14,911 million or approximately 61.6% to IDR39,099 million as compared to the FYE 31 December 2012, due to continuation servicing of several managed services contracts across Indonesia secured in the previous financial years coupled with PMT's continuous efforts to secure more new managed service contracts which resulted in award of seven (7) new contracts during the FYE 31 December 2013.

The PBT had increased by IDR7,639 million or approximately 599.1% to IDR8,914 million in the FYE 31 December 2013, as compared to the FYE 31 December 2012 mainly attributable to increase in profits obtained from service contracts secured coupled with cost-effective administration.

Further, PMT's total borrowings stood at IDR1,666 million due to hire purchase of motor vehicles in line with the increase of network sites serviced across Indonesia by PMT pursuant to the managed service contracts secured.

There was no exceptional or extraordinary item during the financial year under review. There was no accounting policy adopted by PMT which are peculiar to PMT because of the nature of the business or the industry it is involved in. There is no audit qualification of the financial statements of PMT for the financial year under review.

FPE 31 March 2014

PMT recorded a revenue of IDR14,011 million for the three (3)-month FPE 31 March 2014, consisted of income from servicing managed services contracts. PMT recorded a PBT of IDR4,420 million for the three (3)-month FPE 31 March 2014. PMT incurred a cost of sales of IDR8,270 million which mainly consisted of manpower costs, project supplies such as supporting equipment and also transportation costs such as motor vehicle rental charges and fuel expenditure. Administrative expenses incurred for the three (3)-month FPE 31 March 2014 amounting to IDR1,271 million comprising mainly salary related costs and office administration expenditure.

For information purposes, PMT did not prepare any financial statements for the three (3)-month FPE 31 March 2013.

KBAA

KRISNAWAN, BUSRONI, ACHSIN & ALAMSYAH
Certified Public Accountants
Licence No. KEP-1091/KM.1/2010

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

PT PUTRA MULIA TELEMMUNICATION

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Kantor Pusat :
Patra Office Tower 18th Floor, Suite 1836 Jl. Gatot Subroto Kav. 32-34 Jakarta 12950
Phone : +62-21 5290-0212 Fax : +62-21 5290-0506 E-mail : kapkbaa@yahoo.com
Kantor Cabang : Malang & Mataram

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

PT PUTRA MULIA TELEMMUNICATION

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Head Office:
Patra Office Tower 18th Floor, Suite 1836 Jl. Gatot Subroto Kav. 32-34 Jakarta 12950
Phone: (021) 5290-0212 Fax: (021) 5290-0506 E-Mail: kapkbaa@yahoo.com
Branch: Malang & Mataram

PMT **PT PUTRA MULIA TELECOMMUNICATION**
Patra Office Tower 18th Floor, Room 1811
Jl. Jend. Gatot Subroto Kav. 32-34 Jakarta Selatan 12950
Telp: (021) 5290 1170, 5290 1281, 5290 1219

STATEMENT LETTER OF DIRECRTORS
CONCERNING
RESPONSIBILITY UPON STATEMENT FINANCIAL REPORT
PERIOD 31 DECEMBER 2013
PT PUTRA MULIA TELECOMMUNICATION

We the undersigned :

Name : Lim Hooi Seeh

Office Address : Patra Jasa Office Tower 18th Floor, Room 1811. Jl Jend Gatot Subroto Kav 32-34 Jakarta Selatan

Position : Director

States that :

1. To take responsibility upon the composing and presenting of the financial report of the company.
2. The financial report of the company has been prepared and presented in accordance with Indonesian Financial Accounting Standard.
3. Any information in the financial report of the company has been composed completely and rightfully.
4. the financial report of the company does not contain of any misstatement and does not eliminate any material information.
5. To take responsibility upon internal control system in the company.

This statement has been made in good faith.

Jakarta, 28 April 2014

METERAI TEMPEL
5F979ACF0...
ENAM RIBU RUPIAH
6000 DJP

Lim Hooi Seeh
Director

PT PUTRA MULIA TELECOMMUNICATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

CONTENTS

KBAA
KRISNAWAN, BUSRONI, ACHSIN, & ALAMSYAH
Certified Public Accountants
License No. KEP-1091/KM.1/2010

INDEPENDENT AUDITORS' REPORT

Number: GA.A/14.017004/PMT.2

The Board of Directors and The Board of Commissioners
PT Putra Mulla Telecommunication

We have audited the accompanying statements of financial of PT Putra Mulia Telecommunication as at December 31, 2013 and 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In 2012, the Company did not provide the employee expense benefit in accordance with Statement of Financial Accounting Standards 24 (Revised 2010) concerning "Employee Benefits" and present the calculation of income tax and deferred tax in accordance with Statement of Financial Accounting Standards 46 (Revised 2010) concerning "Accounting for Income Taxes" in the financial statements. In our opinion, the provision of employee benefit expense and the calculation of income tax and deferred tax are required by the Indonesian Financial Accounting Standards.

In our opinion, except for the impact of the financial statements as described in paragraph 3, the financial statements referred to above present fairly, in all material respects the financial position of PT Putra Mulia Telecommunication as at December 31, 2013 and 2012, and the results of their operations, changes in equity, and their cash flows for the years then ended in conformity with Indonesian Financial Accounting Standards.

Registered Public Accountants
Krisnawan, Busroni, Achsin, & Alamsyah

A. Krisnawan Budipracoyo, CPA
Licence of Public Accountant No. AP.0041

April 17, 2014

NOTICE TO READERS

The accompanying financial statements are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards procedures and practices to audit such financial statements are generally accepted and applied in Indonesia.

Head Office:
Patra Office Tower 18th Floor, Suite 1836 Jl. Gatot Subroto Kav. 32-34 Jakarta 12950
Phone: (021) 5290-0212 Fax: (021) 5290-0506 E-Mail: kapkbaa@yahoo.com
Branch: Malang & Mataram

PT PUTRA MULIA TELECOMMUNICATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

ASSETS	Notes	2013 Rp	2012 Rp
CURRENT ASSETS			
Cash and cash equivalents	2b,d,3	1,242,889,178	395,050,135
Trade receivables	2b,f,4	11,769,878,704	5,942,058,220
Prepaid taxes	5	-	1,254,322
Prepaid expenses	6	15,749,994	43,666,660
Other receivables	2b,f,7	522,939,158	171,723,688
Deposit	2b,8	67,618,520	12,650,000
Total Current Assets		13,619,075,554	6,566,403,025
NON CURRENT ASSETS			
Property and equipment - net of accumulated depreciation Rp 1,705,285,143 in 2013 (2012 : Rp 953,234,528)	2g,9	4,402,399,502	1,495,400,198
Deferred tax assets	2j,12,c	364,470,304	-
Total Non Current Assets		4,766,869,806	1,495,400,198
Other Assets	10	593,249,113	-
TOTAL ASSETS		18,979,194,473	8,061,803,223

See accompanying Notes to Financial Statements which are integral part of the Financial Statements taken as a whole.

PT PUTRA MULIA TELECOMMUNICATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

LIABILITIES AND EQUITY	Notes	2013 Rp	2012 Rp
CURRENT LIABILITIES			
Trade payables	2b,f,11	1,016,152,355	1,202,248,165
Tax payables	2j, 12a	2,202,911,670	276,737,388
Accrued expense	2b,13	1,130,591,848	41,563,335
Related party	2b,e,14	3,606,610,046	4,615,290,976
Current maturities of long term liabilities :			
Lease payable	2b,15	641,824,130	-
Total Current Liabilities		8,598,090,050	6,135,839,864
LONG TERM LIABILITIES			
Long term liabilities - net off current maturities :			
Lease payable	2b,15	1,024,544,382	-
Post employment benefit liabilities	2h,16	350,895,947	
Total Long Term Liabilities		1,375,440,329	-
EQUITY			
Capital Stock	17	978,000,000	978,000,000
Par Value Rp 9,780 per share			
Authorized Capital 100.000 shares			
Issued and fully paid capital 100.000			
Retained earning		947,963,359	63,867,640
Income for the years		7,079,700,735	884,095,719
Total Stockholders' Equity		9,005,664,094	1,925,963,359
TOTAL LIABILITIES AND EQUITY		18,979,194,473	8,061,803,223

See accompanying Notes to Financial Statements which are integral part of the Financial Statements taken as a whole.

PT PUTRA MULIA TELECOMMUNICATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Notes	2013 Rp	2012 Rp
REVENUE	2i,18	39,099,187,551	24,187,991,359
COST OF REVENUE	2i,19	(24,799,748,127)	(19,215,292,441)
GROSS PROFIT		14,299,439,424	4,972,698,918
OPERATING EXPENSES	2i,20		
General and administration expenses		(5,254,532,259)	(2,393,920,558)
Total Operating Expenses		(5,254,532,259)	(2,393,920,558)
OPERATING INCOME		9,044,907,165	2,578,778,360
OTHER INCOME (EXPENSE)	2i,21		
Other income		4,427,908	257,987,311
Other expenses		(135,500,797)	(1,561,713,403)
Total Other Expenses		(131,072,889)	(1,303,726,092)
INCOME BEFORE INCOME TAX		8,913,834,276	1,275,052,268
INCOME TAX			
Current period	2j,12b	(2,198,603,844)	(390,956,549)
Deferred	2j,12c	364,470,304	-
NET INCOME FOR THE YEAR		**7,079,700,735**	**884,095,719**

See accompanying Notes to Financial Statements which are integral part of the Financial Statements taken as a whole.

PT PUTRA MULIA TELECOMMUNICATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Share Capital Issued and Fully Paid Rp	Retained Earning Rp	Total Equity Rp
Balance as of December 31, 2011	**978,000,000**	**63,867,640**	**1,041,867,640**
Net income for the year	-	884,095,719	884,095,719
Balance as of December 31, 2012	**978,000,000**	**947,963,359**	**1,925,963,359**
Net income for the year	-	7,079,700,735	7,079,700,735
Balance as of December 31, 2013	**978,000,000**	**8,027,664,094**	**9,005,664,094**

See accompanying Notes to Financial Statements which are integral part of the Financial Statements taken as a whole.

PT PUTRA MULIA TELECOMMUNICATION
STATEMENT OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013 Rp	2012 Rp
Cash flows from operating activities :		
Receipts from customers	32,920,151,597	19,989,307,753
Payments to suppliers	(12,297,954,513)	(9,595,262,956)
Payments to employees	(14,155,926,238)	(10,945,694,627)
Receipts of interest income	4,427,908	1,669,441
Payment of interest expense	(34,481,668)	(26,145,007)
Payments of income tax	(272,429,562)	(751,902,811)
Net cash flows provided from (used in) operating activities	6,163,787,524	(1,328,028,208)
Cash flows from investing activity :		
Decrease (increase) in deposit	(54,968,520)	(12,650,000)
Purchase of fixed assets	(3,659,049,919)	(700,805,427)
Decrease (increase) in other assets	(593,249,113)	2,879,326,530
Net cash flows (used in) provided from investing activity	(4,307,267,552)	2,165,871,103
Cash flows from financing activity :		
Increase (decrease) in capital	-	-
Increase (decrease) in related party	(1,008,680,930)	(1,061,777,681)
Net cash flows used in financing activity	(1,008,680,930)	(1,061,777,681)
Net increase in cash and cash equivalents	847,839,042	(223,934,785)
Cash and cash equivalents at the beginning of the year	395,050,136	618,984,920
Cash and cash equivalents at the ending of the year	**1,242,889,178**	**395,050,135**

See accompanying Notes to Financial Statements which are integral part of the Financial Statements taken as a whole.

1. GENERAL

PT Putra Mulia Telecommunication (the Company) originally named PT OCK Telecommunication, and it was established based on Notarial Deed of Benny Lesmana, SH. MM Notary in Tangerang, No.11 dated July 27, 2005. The Deed of Establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-26172 HT.01.01.TH.2005 dated September 22, 2005. The Company Articles of Association have been amended from time to time, recently by notarial deed of Notary Tri Firdaus Akbarsyah, SH in Jakarta, No. 09 dated June 18, 2012 of concerning the change of the company name, from PT OCK Telecommunication to PT Putra Mulia Telecommuniction. The Deed of Establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-45279.AH.01.02.TH 2012 dated August 24, 2012. The Company Articles of Association have been amended, most recently by notarial deed of Notary Dewantari Handayani, SH, MPA in Jakarta, No. 025 dated October 24, 2013. The last notarial deed has been approved by the Ministry of Jusitice and Human Rights of Republic Indonesia. In his Decision Letter No. AHU-AH.01.10-00881 dated January 08, 2014.

The Company has been listed in the Investment Coordinating Board (Badan Koordinasi Penanaman Modal) No.1200/A.8/PMA/2012 dated July 25 2012. The Company also has been listed in the Service Industry and Trade in DKI Jakarta (Dinas Perindustrian dan Perdagangan Provinsi DKI Jakarta) No. 09.03.1.46.47479 which is valid until October 13 2015.

The Company is located in Patra Jasa Office Tower 18 Floor Room 1811, Jl. Jenderal Gatot Subroto Kav. 32-34, Jakarta.

Based on Notarial Deed of Tri Firdaus Akbarsyah, SH, Notary in Jakarta, No. 09 dated June 18, 2012, the Company's Board of Commisioner and Directors as at December 31, 2012 were as follows:

- President Director : Lim Hooi Seeh
- Director : Ngoh Bee Kim
- Commissioner : Song Chin Yew

Based on Notarial Deed of Dewantari Handayani, SH, MPA, Notary in Jakarta, No. 025 dated October 24, 2013, the Company's Board of Commisioner and Director at as December 31, 2013 were as follows:

- Director : Lim Hooi Seeh
- Commissioner : Song Chin Yew

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company for the year ended December 31, 2012 has been prepared based on Accounting Standards for Non Publicly Accountable Entities (ASFNPAE), but in 2013 these financial statements are presented based on Indonesian Financial Accounting Standards.

Set out below is a summary of the significant accounting polices adopted by the Company in the preparation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. **Financial statements preparation** (Continued)

The financial statements has been prepared in accordance with Indonesian Financial Accounting Standards which include the Statements of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standards Board - Indonesian Institute of Accountants (IIA).

The financial statements have been prepared based on going concem assumption and accrual basis. Basis of measurement in the preparation of the financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in the respective policies.

The statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

The reporting currency used in the financial statements is the Indonesian Rupiah.

Statements of Financial Accounting Standard ("SFAS") and Interpretations of Financial Accounting Standards ("ISFAS")

On 1 January 2012, the Company adopted new and revised SFAS and ISFAS that are mandatory for application from that date.

SFAS 10 (Revised 2010), "The Effects of Changes in Foreign Exchange Rates"

SFAS 10 provides guidance on how to record foreign currency transactions and foreign operations into the entity's financial statements and how to describe the financial statements into the presentation currency. This standard also requires entities to measure assets, liabilities, revenues and cost in its functionalcurrency, defined as the currency of the primary economic environment in which the entity operates.

SFAS 24 (Revised 2010), "Employee Benefits"

Several notable revisions relevant to the Company are as follows:

1) Recognition of actuarial gains/(losses)
The revised standard introduces a new alternative method to recognise actuarial gains/(losses), that is to recognise all actuarial gains/(losses) through other comprehensive income.

2) Disclosures item
The revised standard introduces a number of disclosure requirements including disclosure of:
The amounts for the current annual period and the previous four annual periods of present value of the defined benefit obligation and fair value of plan assets; and
The amounts for the current annual period and the previous, four annual periods of experience adjustments arising on the plan liabilities and plan assets

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Financial statements preparation (Continued)

SFAS 60, "Financial Instruments: Disclosures"

The new standard consolidates and expands a number of existing disclosure requirements and adds some new disclosures.

The overriding principle of this standard is to disclose sufficient information to enable users the statement of financial position to evaluate the significance of financial instruments for the Company financial performance and position. SFAS 60 contains new disclosures on risks and risk management and requires reporting entities to report the sensitivity of their financial instruments to movements in risk. Some of the notable new requirements are:

1) Qualitative and quantitative disclosures of the impact of risk, including market risk, credit risk and liquidity risk;
2) Enhanced disclosures for items affecting total comprehensive income so that gains and losses are separated by each category of financial instruments; and
3) Disclosures of fair values of each class of financial assets and liabilities and disclosure of fair value hierarchy for financial instruments measured at fair value at the reporting date.

The Company has incorporated disclosure requirements of SFAS 60 for the year ended as at December 31, 2013.

The adoption of the following new or revised standards and interpretations which are relevant to the Group's operations but did not result in substantial changes to the Company accounting policies and had no material effect on the amounts reported in the financial statements are as follows:

- SFAS 13 (Revised 2011), "Investment Property"
- SFAS 16 (Revised 2011), "Fixed Asset"
- SFAS 26 (Revised 2011), "Borrowing Cost"
- SFAS 30 (Revised 2011), "Leases"
- SFAS 46 (Revised 2010), "Income Taxes"
- SFAS 50 (Revised 2010), "Financial instruments: Presentation"
- SFAS 55 (Revised 2011), "Financial instruments: Recognition and Measurement"
- SFAS 56 (Revised 2011), "Earnings per Share"

The withdrawals of these standards and interpretations did not result in significant changes to the Company accounting policies and had no material effect on the amounts reported to the current or prior financial period:

- SFAS 11, "Translation of Financial Statements"
- SFAS 47, "Accounting for Land"
- SFAS 52, "Reporting Currency"
- ISFAS 4, "Allowed Alternative Accounting Treatment on Exchange Difference"
- ISFAS 5, "Reporting Changes in Fair Value of Securities included in Available for Sale Investment"

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial instruments

The SFAS 50 provides for the requirements in respect of the presentation of financial instruments, and the necessary information that should be disclosed in the financial statements, while the SFAS 55 estabilishes the principles for recognizing and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items. This standard provides for the definitions and characteristics of a derivative, the catagories of financial instruments,recognition and measurement, hedge accounting and determination of hadging relationships, among others.

i. Financial Assets

Initial recognition

Financial assets within the scope of the SFAS 55 are classified as financial assets at fair value trough profit or loss, loan and receivable, held-to-maturity invesments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition and where allowed and appropriate, re-evaluates this designation at the each financial year end.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchase or revenue of financial assets that require delivery of assets within a time frame established by regulation or convertion in the marketpalce (regular way purchases) are recognized on the trade date, i.e., the date that the companies commit to purchase or sell the assets.

The Company's financial assets include cash and cash equivalent, trade receivables, other receivables and due from shareholders.

Subsequent measurement

a) Financial assets at fair value through profit or loss

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

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statements of financial position at fair value with gains or losses recognized in the statements of comprehensive income.

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristic are not closely related to those of the host contracts and the host

Contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognized in the statements of comprehensive income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flow that would otherwise be required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial instruments (Continued)

Subsequent measurement (Continued)

a) Financial assets at fair value through profit or loss (continued)

The Company's foreign currency forward contract (classified in other receivable - third parties) are included in this category.

b) Loans and receivables

Initial recognition

Financial liabilities within the scope of the SFAS 55 are classified as financial liabilities at fair value through profit or loss, loan and borrowings, or as derivatives designated as hedging instruments in a effective hedge, as appropriate. The Company determines the classification of their financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

The Company's account payables, other payables and due to shareholders are included in this category.

ii. **Financial liabilities**

Initial recognition

Financial liabilities within the scope of the SFAS 55 are classified as financial liabilities at fair value through profit or loss, loan and borrowings, or as derivatives designated as hedging instruments in a effective hedge, as appropriate. The Company determines the classification of their financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs

The Company's account payables, other payables and due to shareholders are included in this category.

Subsequent measurement

Loans and borrowings.

After initial recognition, interest - bearing loan and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in the statements of comprehensive income when the liabilities are derecognized as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial instruments (Continued)

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an attention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized fianncial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active ,market, fair value is determined using valuation techniques. Such techniques may include using recent arm's-length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company's assesses at each financial position date whether there is any objective evidence that a financial asset or a Company of financial assets is impaired.

Financial assets carried at amortized cost.

For loan and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similiar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flow is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. **Financial instruments** (Continued)

vi. Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in the statement of comprehensive income. Interest income continous to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occuring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in profit or loss.

vii. **Derecognition of financial assets and liabilities**

Financial assets

A financial asset (or where applicable, a part of a financial assets or part of Company of similiar financial assets) is derecognized when: (1) the right to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the term or the terms of an existing liability are substantially modifified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

viii. **Derivative financial instruments**

The Company enters into a engages in cross currency swap, if considered necessary, for the purpose of managing its foreign exchange exposures emanating from the Company's revenue proceed in foreign currencies. These derivative financial instruments are not designated in a qualifying hedge relationship and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when the fair value is negative.

Any gains and losses arising from changes in fair value of derivatives during the period that do not qualify for hedge accounting are taken directly to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. **Financial instruments** (Continued)

viii. Derivative financial instruments (Continued)

Derivative assets and liabilities, if any, are presented under current assets and current liabilities, respectively. Embedded derivative, if any, is presented with the host contract in the statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole.

Cash and cash equivalent consist of cash on hand and in banks, and short-term deposits with maturities within three (3) months or less and not pledged as collateral and are not restricted.

c. **Fair Value of Financial Assets and Liabilities**

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

	Carrying amount 2013	Fair value 2013	Carrying amount 2012	Fair value 2012
Cash and cash equivalents	1,242,899,178	1,242,899,178	395,050,136	395,050,136
Trade receivables	11,769,878,704	11,769,878,704	5,942,058,220	5,942,058,220
Other receivables	522,939,158	522,939,158	171,723,688	171,723,688
Deposit	67,618,520	67,618,520	12,650,000	12,650,000
Total	13,603,325,560	13,603,325,560	6,521,482,044	6,521,482,044
Trade payables	1,016,152,355	1,016,152,355	1,202,248,165	1,202,248,165
Accrued expense	1,130,591,848	1,130,591,848	41,563,335	41,563,335
Related party	3,606,610,046	3,606,610,046	4,615,290,976	4,615,290,976
Lease payable	1,666,368,512	1,666,368,512	-	-
Total	7,419,722,761	7,419,722,761	5,859,102,476	5,859,102,476

1) All financial assets presented as current assets

All these financial assets are due within 12 months, thus the carrying values of the financial assets approximate their fair values.

2) Other non-current assets

The financial asset presented in this account comprises of security deposits. Since the amount is not considered material, the balance is presented at cost.

3) All financial liabilities presented as current liabilities

All these financial liabilities are due within 12 months, thus the carrying value of the financial liabilities approximate their fair values. Forward liabilities are carried at their fair values using forward pricing model.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4) Long-term payable and others and obligations under finance lease, including their current maturities.

The financial liabilities from third parties are liabilities with floating market interest rates, thus the carrying values of the financial liabilities approximate their fair values. The fair value of obligation under finance lease is estimated by discounting future cash flows using appropriate interest rate.

d. Cash and Cash Equivalent

Cash and cash equivalents comprises of cash on hand and bank balances that are subject to insignificant risk of change in value.

e. Transaction with Related Parties

The nature and scope of transactions with entities, which are regarded as having a special relationship, as defined under SFAS 7 (Revised 2010), **"Related Party Disclosures"**, are disclosed in the notes to financial statements

All significant transactions with related parties, whether or not conducted under similar price, terms and conditions as those with third parties, are disclosed in the related notes.

f. Trade Receivable and Trade Payable

Trade receivable and trade payable are stated at their net realizable value. The Company and its subsidiaries provide allowance for doubtful account based on reviews of the collectability of accounts receivables at the balance sheet date.

g. Property and Equipment

Property and equpment are stated at acquisition cost.

Depreciation is computed using straight-line method based on the estimated useful lives of the assets as follows:

Assets	Useful Life (Years)	Depreciation/Years (%)
Office equipment	4	25
Machine and equipment	16	6.25
Tool and equipment	4	25
Vehicle	6	12.5

Expenditures for repairs and maintenance is charged to operations as incurred, expenditures which extend the useful life of the asset or result in increased future economic benefits such as increase in capacity and Improvement in the quality of output or standard of performance are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the current operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Employee Benefit Plan

According to SFAS 24 (Revised 2010), There are several noteable revisions are as follows :

a. Recognation of actuarial gains /(losses)

The revised standard introduces a new alternative method to recognize actuarial gains/(losses), that is to recognize all actuarial gains/(losses) in full through other comprehensive income. In this regard, the Company has not calculate the employee benefit.

b. Disclosures item

The revised standard introduces a number of disclosure requirements including disclosure of :

- The percentage or amount of each major category of investment making up total plan assets
- A narrative description of the basis used to determine the overall expected rate of return on assets
- The amount for the current annual period and the previous four annual periods of present value of the defined benefit obligation and fair value of the plan asset; and
- The amount for the current annual period and the previous four annual periods of experience adjustments arising on the plan liabilities and plan assets.

For the year 2012, the Company did not calculate the employee benefit.

i. Recognition of Revenues and Expenses

Revenue from local sales of goods and services are recognized when title of goods passes to the customers or services are rendered. Expense are recognized when incurred (accrual basis).

j. Income Taxation

SFAS 46 concerning "**Accounting for Income Taxes**", requires the Company to account for the tax effects of the recovery of assets and settlement of liabilities at their carrying amount, and recognize and measure deferred tax assets and liabilities for the expected future tax consequences of events recognized in the financial statement, including tax loss carry forward

The carrying amount of deferred tax assets is reviewed at each financial position 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 deferred tax assets to be utilized.

For the year 2012, the Company did not calculate the deffered tax.

3. CASH AND CASH EQUIVALENTS

	2013 Rp	2012 Rp
Cash in hand :		
Cash	8,021,041	6,827,865
	8,021,041	**6,827,865**
Bank :		
RUPIAH		
Hongkong and Shanghai Banking Corporation Limited	362,347,792	206,291,247
PT Bank Mandiri (Persero) Tbk - 126-00-0626861-8	1,230,269	153,679,029
PT Bank Mandiri (Persero) Tbk - 126-00-0626860-0	18,996,613	2,583,039
PT Bank Mandiri (Persero) Tbk - 126-00-06355704	771,934,926	1,441,000
DOLLAR UNITED STATES OF AMERICA		
Hongkong and Shanghai Banking Corporation Limited	30,358,537	24,227,955
	1,184,868,137	**388,222,270**
Time deposit PT Bank Mandiri (Persero) Tbk	50,000,000	-
Total	**1,242,889,178**	**395,050,135**

4. TRADE RECEIVABLES

	2013 Rp	2012 Rp
PT Ericsson Indonesia	2,026,543,748	942,906,827
PT Huawei Tech Investment	9,606,958,404	4,999,151,393
PT Huawei Service	53.200.000	-
Inspur Worldwide	83,175,752	-
	11,769,878,704	5,942,058,220
Allowance for impairment losses	-	-
Total - Nett	11,769,878,704	5,942,058,220

Based on review the status of the accounts at the end of year, management believes that there is no allowance for doubtful accounts.

No allowance for impairment losses on receivables was provided as management believes that all receivables are collectible.

5. PREPAID TAXES

	2013 Rp	2012 Rp
Withholding Tax Article 23	-	1,254,322
Total	**-**	**1,254,322**

6. PREPAID EXPENSES

	2013 Rp	2012 Rp
Prepaid rent	15,749,994	43,666,660
Total	**15,749,994**	**43,666,660**

7. OTHER RECEIVABLES

	2013 Rp	2012 Rp
Other receivables	522,939,158	171,723,688
	522,939,158	171,723,688
Allowance for impairment losses	-	-
Total – Nett	**522,939,158**	**171,723,688**

No allowance for impairment losses on receivables from related parties was provided as management believes that all receivables are collectible.

Management believes that no allowance for impairment losses on other receivables is required to cover possible losses on uncollectible accounts.

8. DEPOSIT

	2013 Rp	2012 Rp
Telephone and other deposit	11,433,480	12,650,000
Rent deposit	56,185,040	-
Total	**67,618,520**	**12,650,000**

9. PROPERTY AND EQUIPMENT

	2013			
	1 Jan. 2013 Rp	Add Rp	Less Rp	31 Dec. 2013 Rp
Acquisition Cost :				
Office equipment	451,939,897	55,567,600	-	507,507,497
Machine and equipment	143,000,000	-	-	143,000,000
Tool and equipment	1,853,694,829	1,250,605,277	-	3,104,300,106
Vehicle	-	2,352,877,042	-	2,352,877,042
	2,448,634,726	3,659,877,042	-	6,107,684,645
Acc. Depreciation :				
Office equipment	340,032,833	41,470,462	-	381,503,295
Machine and equipment	59,751,046	8,937,500	-	68,688,546
Tool and equipment	553,450,648	579,696,272	-	1,133,146,920
Vehicle	-	121,946,382	-	121,946,382
	953,234,527	752,050,615	-	1,705,285,143
Net Book Value	1,495,400,199			4,402,399,502

	2012			
	1 Jan. 2012 Rp	Add Rp	Less Rp	31 Dec. 2012 Rp
Acquisition Cost :				
Office equipment	328,139,897	123,800,000	-	451,939,897
Machine and equipment	143,000,000	-	-	143,000,000
Tool and equipment	1,276,689,402	577,005,427	-	1,853,694,829
	1,747,829,299	700,805,427	-	2,448,634,726
Acc. Depreciation :				
Office equipment	279,078,290	60,954,544	-	340,032,834
Machine and equipment	50,813,542	8,937,504	-	59,751,046
Tool and equipment	128,397,763	425,052,885	-	553,450,648
	458,289,594	494,944,933	-	953,234,528
Net Book Value	1,289,539,705			1,495,400,198

9. PROPERTY AND EQUIPMENT *(Continued)*

Management believes that there is no reduction in the carrying value of fixed assets at December 31, 2013 and December 31, 2012, because the carrying value of assets do not exceed the replacement value (replacement cost) or asset recovery value (recoverable amount). The Company did not covered its assets in insurance or use it as a collateral.

Based on the review on the recoverable value of the fixed assets, the company's management believe that there is no event or change indicating assets impairment as of December 31, 2013 and 2012.

10. OTHER ASSETS

	2013 Rp	2012 Rp
Development expenditure	593,249,113	-
Total	593,249,113	-

11. TRADE PAYABLE

	2013 Rp	2012 Rp
PT Adi Sarana Armada	552,228,531	156,239,081
PT Andalan Finance Indonesia	268,868,000	-
PT Duta Artha Nusantara	85,794,334	387,536,000
PT Pusaka Prima Transport	40,985,000	26,676,000
PT Indo Karya Komunika	29,700,000	-
CV Nextel Mixindo	23,192,400	-
PT Autobagus Utama	12,960,000	58,212,000
Hariady	-	1,617,000
CV Langkisau Indah	-	22,790,880
Harun	-	1,400,000
Modernet	-	426,500,307
PT Gramaselindo Utama	-	100,035,100
PT Tri Dharma Ekspanindo	-	170,185
Kulima Nur Surliani Tanjung	-	5,000,000
CV Shohibi	-	8,600,000
Putra Pesanggerahan Motor	-	6,517,000
PT Pudjiadi Prestige Tbk	-	954,612
Others	2,424,090	-
Total	1,016,152,355	1,202,248,165

12. TAXATION

a. Tax Payable

	2013 Rp	2012 Rp
Income Tax - Article 21	89,910,858	65,469,019
Income Tax - Article 23	31,179,470	8,652,750
Income Tax - Article 4 (2)	-	819,000
Income Tax - Article 29	1,576,538,635	7,848,106
VAT - out	468,177,359	193,948,512
Tax payable penalty	37,105,348	-
Total	**2,202,911,670**	**276,737,388**

b. Current Taxes

The reconciliation between the income before tax benefit (expense) calculated by applying the applicable tax rate at 25% to the income before tax as shown in the statements of income for the years ended December 31, 2013 and 2012 are as follows :

	2013 Rp	2012 Rp
Income before tax	**9,264,730,223**	**1,275,052,268**
Permanent Differences :		
Entertainment	-	139,279,172
Income Tax Article 21 paid	64,514,699	127,746,129
Tax penalty	45,096,474	163,628,079
Interest income	(4,427,908)	-
Other expense	-	29,690,341
	105,183,265	460,343,721
Estimated Taxable Income	9,369,913,488	1,735,395,989
Rp 4,800,000,000 / Rp 24,275,545,619 x Rp 1,735,395,989 =	-	343,139,589
50% x 25% x Rp 343,139,589 =	-	42,892,449
25% x Rp 1,392,256,400 =	-	348,064,100

12. TAXATION (Continued)

b. Current Taxes (Continued)

	2013 Rp	2012 Rp
Rp 4,800,000,000 / Rp 39,075,353,890 x Rp 9,369,913,488 =	1,150,996,223	-
50% x 25% x Rp 1,150,996,2323 =	143,874,528	-
25% x Rp 8,218,917,265 =	2,054,729,316	-
Total	2,198,603,844	390,956,549
Income Tax - Article 23	622,065,209	383,108,443
Estimated in Corporate Tax Liabilities	1,576,538,635	7,848,106

Calculation of estimated in Corporate tax liabilities is based on taxpayer's own calculation. The tax authorities may conduct a tax audit on the Company for up to five years therafter.

c. Deferred Tax

The details of the Company and its deferred tax asstes (liabilities) are as follows :

	Beginning Balance Jan 1, 2013	Effect to Profit and Loss	Ending Balance Jan 1, 2013
Deferred tax assets			
Depreciation	-	-	-
Leasing	-	(5,901,645)	(5,901,645)
Post employment benefit/ Pension cost	-	87,723,987	87,723,987
Accrued transaction	-	282,647,962	282,647,962
Deferred tax Assets	-	364,470,304	364,470,304

13. ACCRUED EXPENSE

	2013 Rp	2012 Rp
Other payable and accruals	1,028,829,305	-
Jamsostek	101,762,543	41,563,335
Total	1,130,591,848	41,563,335

14. RELATED PARTY

The Company, in its regular course of business, has engaged in transactions with related parties, principally in assisting the provision of funds for the Company's operations temporarily.

	2013 Rp	2012 Rp
Lim Hooi Seeh	3,606,610,046	4,615,290,976
Total	3,606,610,046	4,615,290,976

15. LEASE PAYABLE

	2013 Rp	2012 Rp
Current maturity of long term liabitity :		
PT Astra Sedaya Finance	509,927,535	-
PT Mandiri Tunas Finance	131,896,595	-
	641,824,130	-
Long term liability – net off current liabitity :		
PT Astra Sedaya Finance	1,000,910,247	-
PT Mandiri Tunas Finance	23.634.135	-
	1,024,544,382	-
Total	1,666,368,512	-

16. POST EMPLOYMENT BENEFIT LIABILITIES

	2013 Rp	2012 Rp
Third Parties		
Beginning balance	-	-
Addition :		
Current service	350,895,947	-
Deduction :		
Post employment benefit payment	-	-
Ending Balance	350,895,947	-

The principal assumptions used by the actuary PT Binaputera Jaga Hikmah report number 275/PSAK-BJH/IV-2014 dated April 25, 2014 in determining the retirement benefits cost at the balance sheet date are as follows :

	2013 Rp
Current service :	
Present value obligation based on service leave	15.525.911
Present value obligation based on manpower law	335.370.036
	350.895.947

Normal pension age	55 years
Salary increment rate	15%
Discount rate	9,14%

17. SHARE CAPITAL

Based on Notarial Deed of Tri Firdaus Akbarsyah, SH Notary in Jakarta, No.01 dated October 4, 2011, Company's authorized capital is Rp 978,000,000 divided into 100,000 shares with a nominal value per share amounted to Rp 9,780. Of the authorized capital, has been paid and placed as much 100,000 shares or valued at Rp 978,000,000 each consisting of :

Stockholders	Number of Shares	Capital Amount (Rp)	Percentage (%)
Song Chin Yew	60,000	586,800,000	60%
Lim Hooi Seeh	20,000	195,600,000	20%
Ngoh Bee Kim	20,000	195,600,000	20%
Total	**100,000**	**978,000,000**	**100%**

Based on Notarial Deed of Dewantari Handayani, SH, MPA Notary in Jakarta, No. 025 dated October 24, 2013, Company's authorized capital is Rp 978,000,000 divided into 100,000 shares with a nominal value per share amounted to Rp 9,780. Of the authorized capital, has been paid and placed as much 100,000 shares or valued at Rp 978,000,000 each consisting of :

Stockholders	Number of Shares	Capital Amount (Rp)	Percentage (%)
Song Chin Yew	75,000	733,500,000	75%
Lim Hooi Seeh	25,000	244,500,000	25%
Total	100,000	978,000,000	100%

18. REVENUE

	2013 Rp	2012 Rp
PT Ericsson Indonesia	7,974,662,847	4,701,869,216
PT Huawei Tech Investment	30,390,752,107	19,573,676,403
PT Huawei Service	202,704,085	-
Bakrie Telecom MS	140,000,000	-
Inspur OSS Project	367,234,851	-
	39,075,353,890	24,275,545,619
Project Quality Deduction	(232,829,045)	(193,861,086)
Other income	371,741,047	220,802,266
Huawei - MS Project Penalty	(115,078,341)	(114,495,440)
Total	39,099,187,551	24,187,991,359