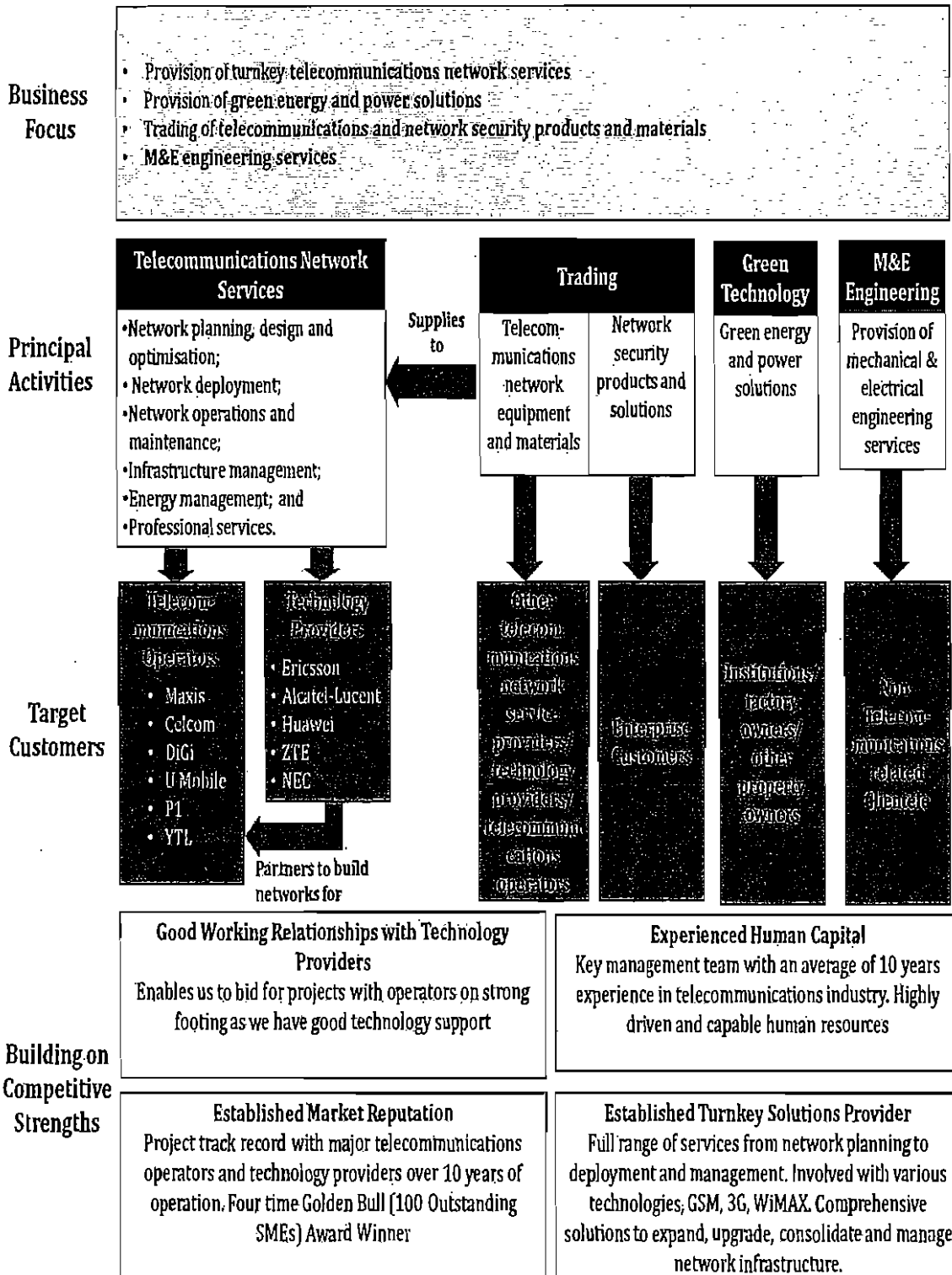


6. BUSINESS OVERVIEW

6.1 OUR BUSINESS

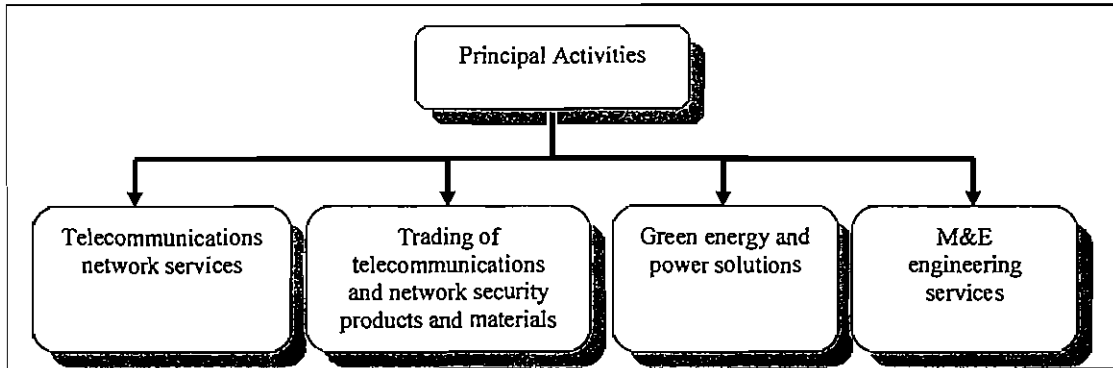
We currently operate on the following business model:



6. BUSINESS OVERVIEW (Cont'd)

6.2 PRINCIPAL ACTIVITIES

Our Group's principal activities can be categorised into four (4) segments as follows:



6.2.1 Telecommunications Network Services

In providing telecommunications network services, we are able to provide turnkey solutions for our telecommunications clientele comprising mainly of telecommunications operators and telecommunications technology providers, encompassing network planning, design and optimisation, network deployment, network operations and maintenance and infrastructure management, energy management and professional services.

We provide our services to telecommunications operators and technology providers, although telecommunications operators remains as the end-user. Telecommunications operators need to develop and maintain infrastructure in order to function. In building, expanding and maintaining network infrastructure equipment from different technology providers can be used. The infrastructure equipment needs to be built and commissioned, for which our services are required.

In cases where operators deals directly with a technology provider, the technology provider engages us to design, build and maintain infrastructure equipment for the telecommunications operator using equipment from that provider.

Alternatively operators can directly contract us as service providers to design, build and maintain infrastructure, using technology that those operators require and we will source from respective technology provider.

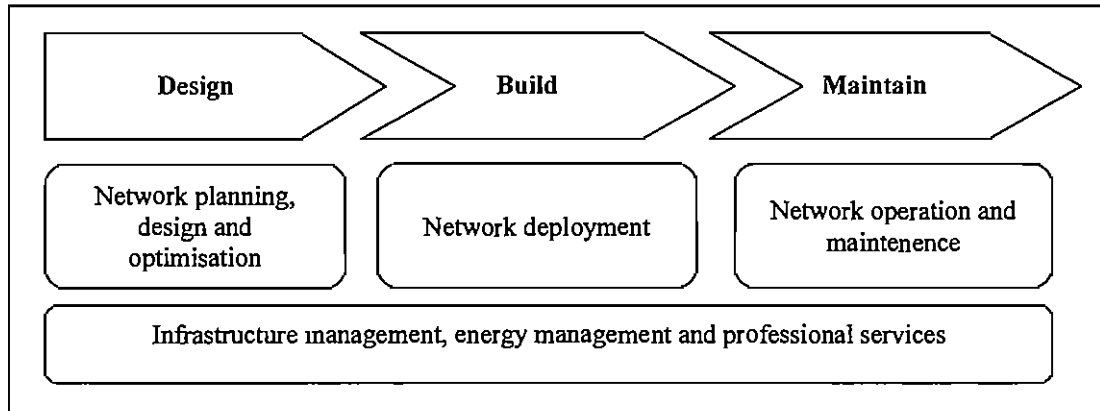
In both cases, the spectrum of telecommunication network services provided to each customer can be similar, as the end user (telecommunications operators) is the same.

Our clients will approach us either for individual services or for turnkey solutions. Post-deployment, we offer managed services where we are capable of operating and maintaining telecommunications infrastructure. In short, we design, build and maintain all means of telecommunications network infrastructure for our clients.

We are familiar with current and upcoming telecommunications technologies and networks including fixed line networks, cellular telecommunications, wired and wireless broadband modes and optical technologies. However, at present, we are focused on providing services for cellular telecommunications networks in line with current market demand. In this respect, we have completed implementation works for major cellular network operators including Maxis, Celcom, DiGi, U Mobile, P1 and YTL.

6. BUSINESS OVERVIEW (Cont'd)

The full spectrum of our telecommunications network service offering can be illustrated as follows:



(i) Design

The design stage of a telecommunications network is the most crucial part to ensuring a good and effective network. Good planning, design and network optimisation will ensure that network owners/operators will be able to provide services that boast both an optimum coverage in width and depth. Wide network coverage ensures acceptable service levels in wide geographical areas, while deep network coverage ensures that service levels in coverage areas are highly effective in terms of speed and reliability.

By understanding our client's requirements and budget, our team will aid clients in determining the number of BTS and suggest suitable locations/sites for these new network nodes. Our planning and design services are crucial in ensuring that our clients' telecommunications networks are effective and efficient in terms of both back-end and front-end transmission. Back-end transmission planning involves the effective placement and design of microwave links. This ensures back-end transmission from BTS to BTS is effective. Front-end transmission planning involves the effective placement and design of BTS equipment in order to maximise reach and quality of front-end transmissions between BTS and users.

Once we have obtained the client's agreement on our proposed designs, we will help clients to procure for the necessary approvals to use these suggested sites, along with all necessary permits from the local councils, MCMC, Department of Civil Aviation and Fire and Rescue Department of Malaysia. This stage will also involve rental negotiations with land/tower/building owners. Sites are then audited for suitability, after which finer design work can be completed.

(ii) Build

Once network plans are confirmed to be ready for deployment, we will embark on the procurement of the required materials and resources for the construction of the network site. This includes building raw materials, telecommunications equipment and hardware as well as procuring sub-contractors for various deployment work.

At this stage, there are three (3) main categories of work which are explained below:

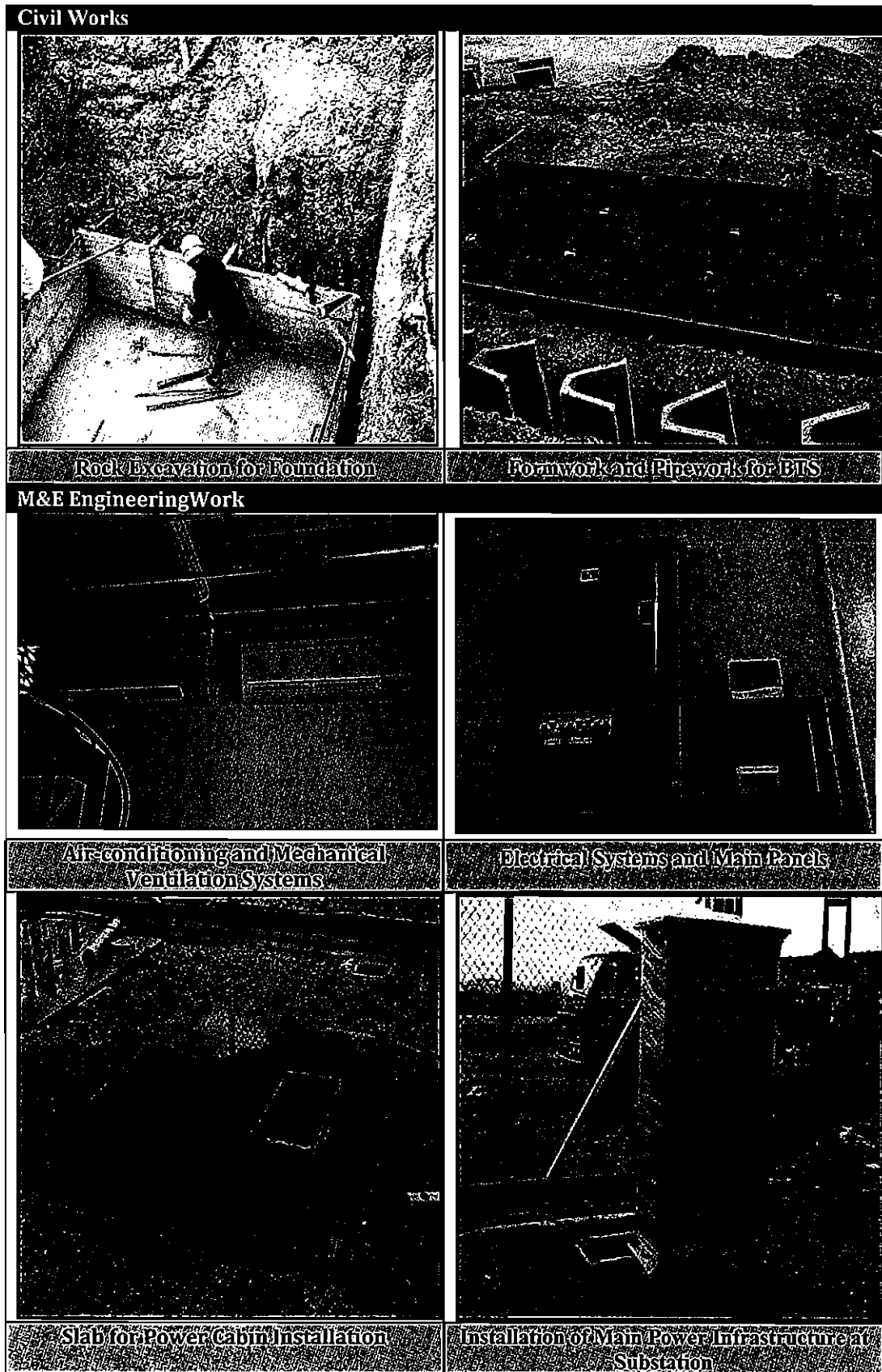
- (a) Civil and M&E engineering infrastructure deployment;
- (b) Telecommunications equipment implementation; and
- (c) Network integration.

Civil and M&E Engineering Infrastructure Deployment

Initial site deployment involves civil and M&E engineering works to prepare sites for the implementation and integration of telecommunications network equipment. Civil works involve the construction of fixed structures, preparation of access roads or paths, and other

6. BUSINESS OVERVIEW (Cont'd)

ground work. Thereafter, the scope of our M&E engineering services involves laying of electrical power and grounding systems, implementation of air-conditioning and fire protection equipment.



6. BUSINESS OVERVIEW (Cont'd)



Full View of Complete Site

Site Compound

Telecommunications Equipment Implementation

We possess the necessary technical expertise, test equipment and experience in installing, commissioning and testing various types of telecommunications equipment. These equipment implementation involves the construction and implementation of telecommunications network equipment such as BTS, microwave links and all other supporting equipment. In order to install these equipment, we would also need to provide the following range of tests and services:

- Line of sight and radio frequency surveys to ensure the optimum wireless transmission between two BTS;
- Telecommunication equipment installation, testing and commissioning for base station, microwave links and antenna feeder system;
- Radio frequency planning, drive test and optimisation; and
- IBC implementation involving the implementation of indoor BTS for effective wireless reception.

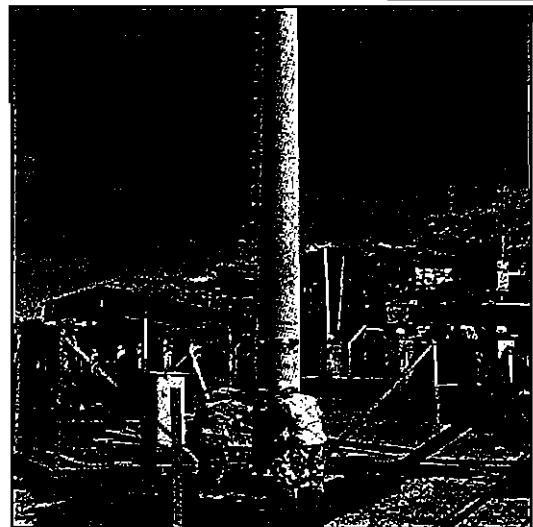


Concrete Pole Installation

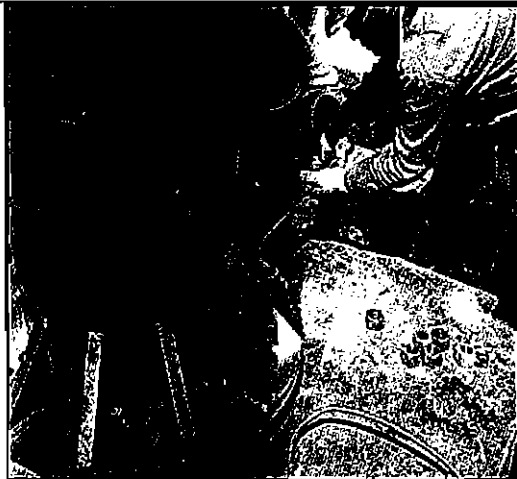
6. BUSINESS OVERVIEW (Cont'd)



Erection of Concrete Pole



Erection of Concrete Pole



Tightening of Bolts & Nuts

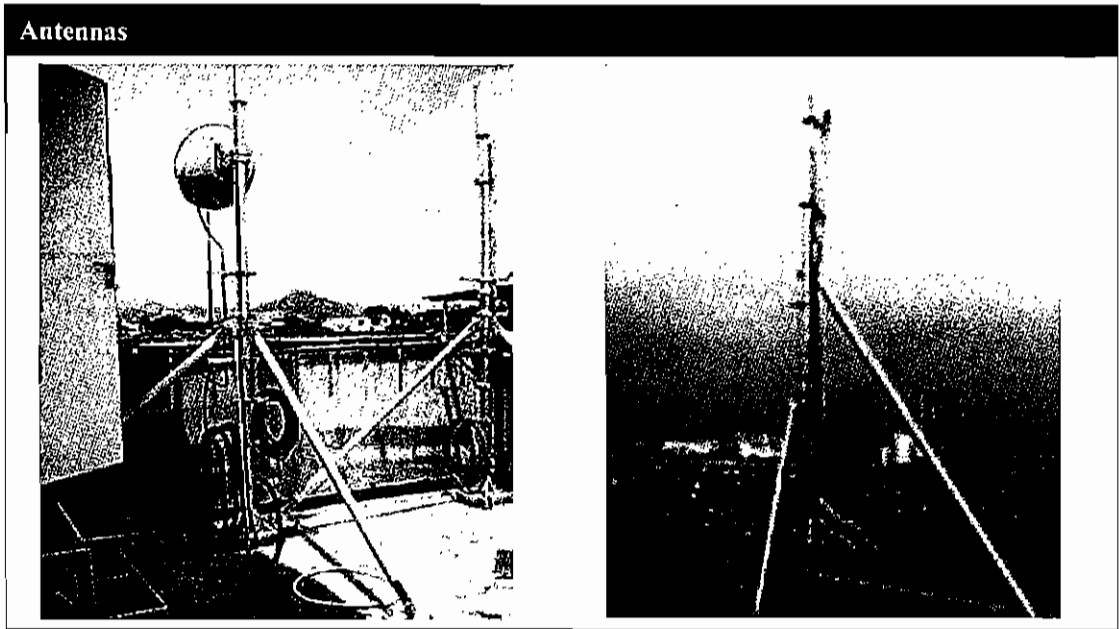


Installation of 60 metre Tower

Antennas



6. BUSINESS OVERVIEW (Cont'd)

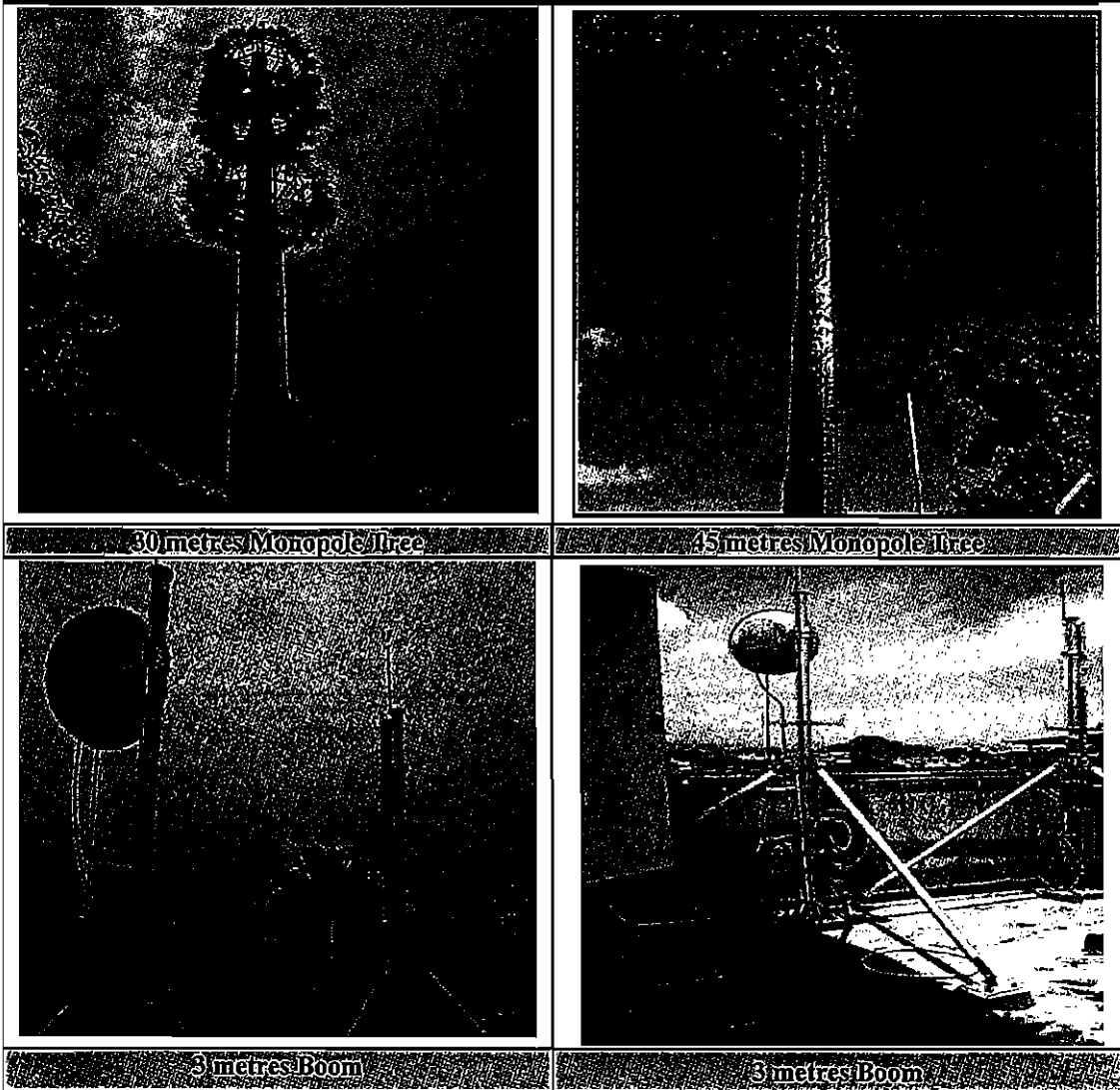


6. BUSINESS OVERVIEW (Cont'd)

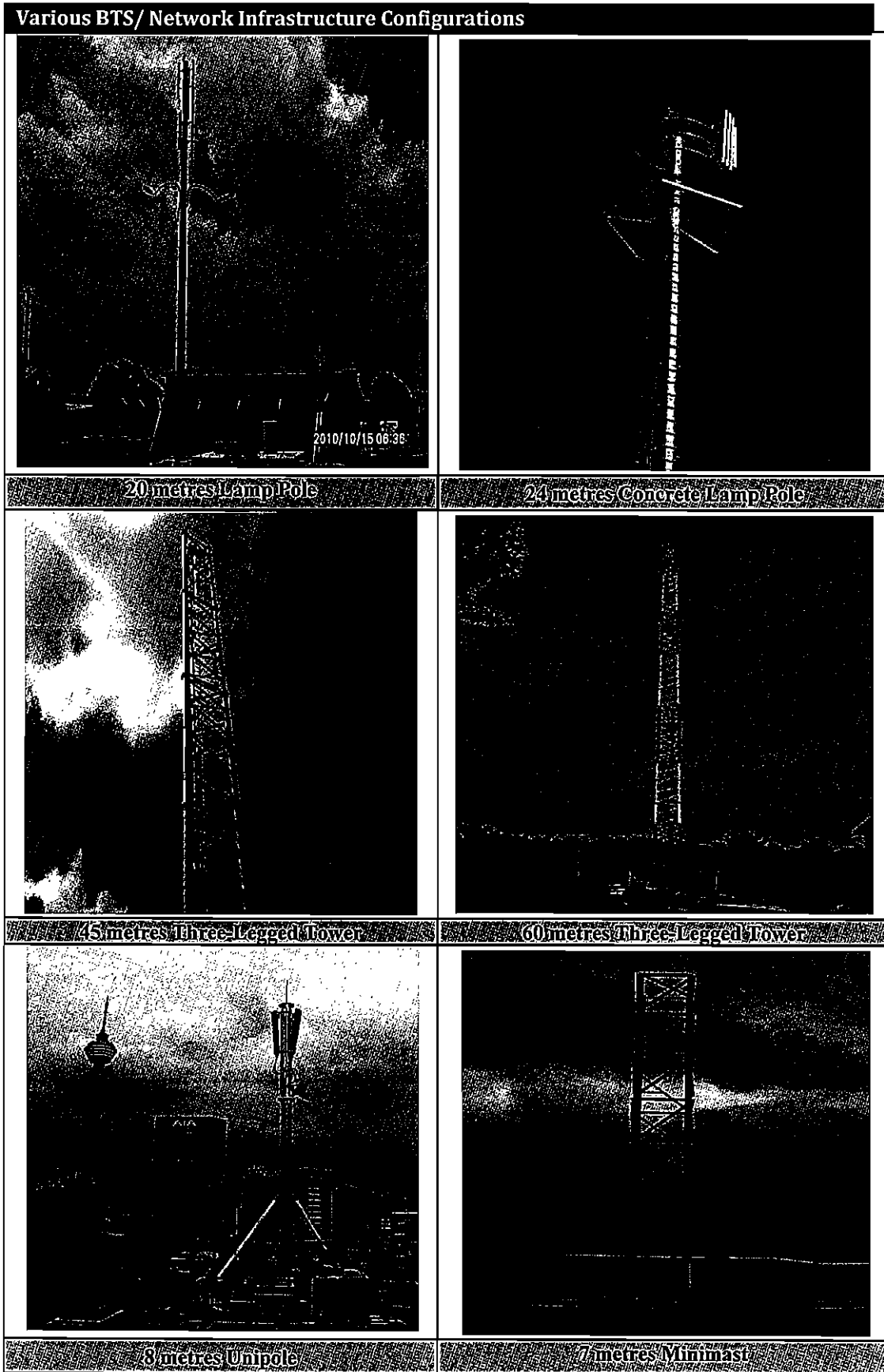
Base Station Equipment



Various BTS/ Network Infrastructure Configurations



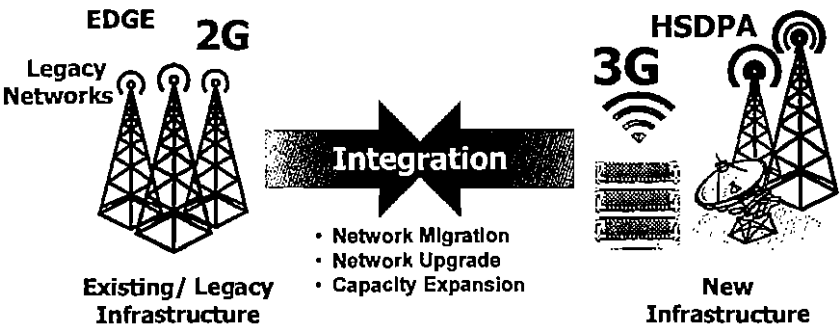
6. BUSINESS OVERVIEW (Cont'd)



6. BUSINESS OVERVIEW (Cont'd)

Network Integration

Some of our clients may require network capacity expansion, network migration or upgrading of existing (legacy) networks. For such clients, we are able to integrate new infrastructure or upgrade current infrastructure while maintaining fully functioning integration between existing and new network technologies and equipment.

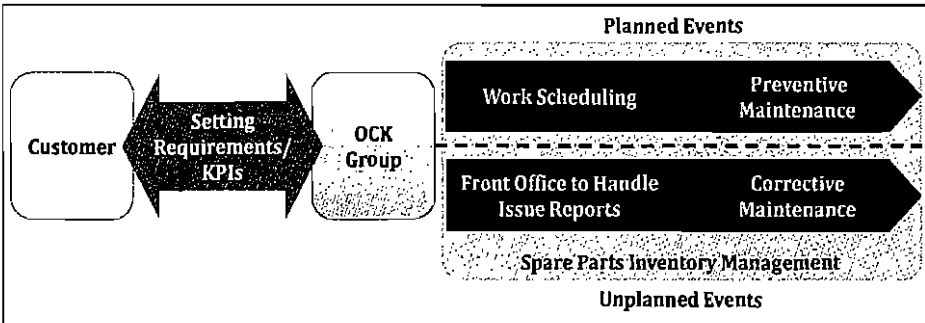


(iii) **Maintain**

Our network operations and maintenance services is as follows:

Post deployment of a network infrastructure, our Group provides various managed and support services to assist clients in operating and maintaining their telecommunications networks. Our Group undertakes construction of sites for telecommunications operators and technology providers (ultimately for telecommunications operators). The latter requires our maintenance services as a bridging between the completion of the construction and the handover of the tower to the telecommunications operators. This service is typically provided for a period of one (1) to twelve (12) months. Our Group recognises income generated from this maintenance service as part of revenue derived from turnkey activities. Network operations and maintenance services are also extended for a new client’s existing networks of which its network may not be previously deployed by our Group.

• **Network Maintenance**



Our main objective in network maintenance services is to provide support to maintain and troubleshoot all critical network elements. Services can be provided up to 24 hours on a seven day basis. There are two types of maintenance which are corrective maintenance arising from unplanned events and routine preventive maintenance.

These services are driven by requirements or KPI set by clients and ourselves in the SLA signed by clients. The major scope of work includes:

- Front office to receive and manage reports of malfunctions, breakdowns and issue reports;

6. BUSINESS OVERVIEW (Cont'd)

- Corrective maintenance to rectify system breakdowns and to resolve network issues;
- Preventive maintenance as a planned event to periodically check for impending breakdowns and to ensure constant system health;
- Spare part delivery and inventory management for parts and equipment subject to wear and tear; and
- Issue logging and reporting for future reference.

- **Network Operations**

Network operations take maintenance services one-step further, where upon agreement with clients, we are tasked to handle all operations pertaining to the client's network infrastructure. We are involved in the daily operations, monitoring and maintenance of networks. We take ownership for operations and maintenance work that has been tasked to us.

(iv) **Infrastructure Management, Energy Management and Professional Services**

As part of our turnkey services, we also provide various infrastructure management, energy management and other professional services across our telecommunications network design, building and maintenance activities. The following services are integrated into our Group's offering as follows:

- **Infrastructure Management**

- Site acquisition, licencing and management;
- Project management and documentation activities across implementation and maintenance period; and
- Contingency/emergency and disaster recovery measures.

- **Energy Management**

- Planning energy/power needs for individual sites and entire telecommunications networks; and
- Optimising energy efficiency of individual sites and telecommunications networks.

- **Professional Services**

- Procurement of logistics services necessary for equipment supply and network deployment;
- Procurement of technical expertise and human resources for projects; and
- Project planning & management.

6. BUSINESS OVERVIEW (Cont'd)

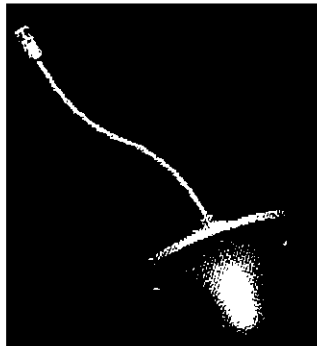
6.2.2 Trading of Telecommunications and Network Security Products and Materials

Telecommunications Network Equipment and Materials

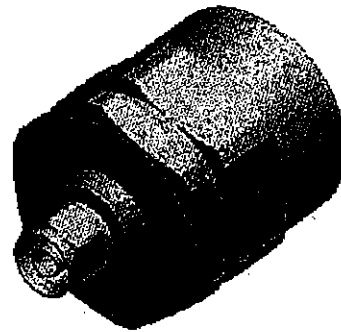
Our Group trades in telecommunications hardware and installation materials such as antennas, feeder cables, connectors and water proofing tapes via Firatel. This business complements the core business of the Group as Firatel is supplying its products to the Group as well as to other telecommunications network service providers and operators.

We leverage on our relationship with telecommunications providers and operators such as Ericsson, ZTE and DiGi as we have established longstanding business partnerships with these major customers hence making it easier to introduce our product offerings to them to be implemented together with their network equipments.

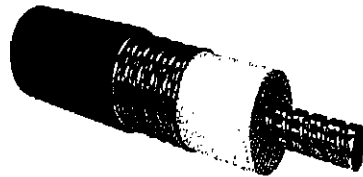
Samples of some of the products which we trade are as follows:



Omni directional antenna



Straight plug



Radio Frequency (RF) connector



Antenna

Network Security Products and Solutions

Network security plays a very important role in today's telecommunications arena whereby data is more frequently used. These are prone to phishing, identity theft or malicious attack. Telecommunications operators are preparing themselves for any possible rampant attack in the future and the Group is preparing now to support them. We distribute the following range of network security products and solutions in the Asia Pacific region:

Rapid7 (Fortress Singapore is an appointed distributor in Singapore and Malaysia for Rapid7, Limited Liability Company in the United States of America ("USA"))

Rapid7® is the leading provider of security risk intelligence solutions for IT. It provides full suite of security assessment and testing products that empower the IT organisations to obtain accurate, actionable and contextual intelligence into their network threat and risk posture.

6. BUSINESS OVERVIEW (Cont'd)

IronKey (Fortress Singapore is an appointed distributor in Asia Pacific for IronKey, Inc in the USA)

IronKey is the global leader in providing secure managed portable storage, authentication and trusted virtual computing. Its military grade product portfolio meets the standards of public and private enterprises, government and military customers. As part of a complete security solution, IronKey provides managed solutions to protect the customers' invaluable data and networks.

Giritech (Fortress Singapore is an appointed distributor in Singapore, Malaysia, Cambodia, Indonesia, Philippines and Vietnam for Giritech AS in Denmark)

Giritech is a fully integrated solution that delivers network protection and high security remote access services. The solution's single point of management lowers the cost of protecting the network and providing users with secure access to applications, office PCs and virtual desktops.

Solera Networks (Fortress Singapore is an appointed distributor in Singapore, Malaysia, Thailand, Indonesia, Cambodia, Vietnam, Philippines and Hong Kong for Solera Networks, Inc in the USA)

Solera Networks' products comprise network appliance software which is capable of capturing and storing of network traffic on any network. Its slew of functions allow network administrators and security analysts to select, analyse and playback the data traffic for network analysis purposes.

Lumension Security (Fortress Malaysia is an appointed distributor in Malaysia for Lumension Security, Inc in the USA)

Lumension Security's software solutions help businesses protect their vital information and manage critical risk across network and end users. Its products have assisted businesses to achieve optimal security and IT success by delivering solution portfolio that includes vulnerability management, endpoint protection, data protection, antivirus and reporting and compliance offerings.

SecureAge (Fortress Singapore is an appointed distributor in Singapore for SecureAge Technology, Inc in the USA)

SecureAge's software provides data protection solutions that help prevent, protect, and shield governments and enterprises from any possible data breaches. Its comprehensive encryption solutions protect organisations from any possible information security problems and manage their information security strategies. The solutions give complete control and visibility of data movement within their organisations without disrupting day-to-day operations.

Tropos Networks (Fortress Singapore is an appointed distributor in Singapore, Malaysia and Indonesia for Tropos Networks, Inc in the USA)

Tropos Networks provides wireless communications networks for utilities to build and control the smart grid. It provides utilities with the most economical and complete communications for deploying a wide range of mission-critical applications.

SecureLogix (Fortress Singapore is an appointed distributor in the ASEAN region for SecureLogix Corporation in the USA)

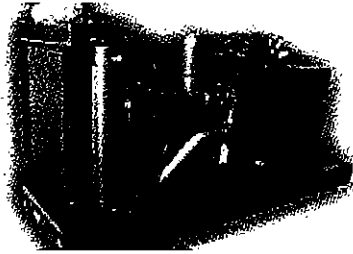
SecureLogix's products protect Voice over Internet Protocol network from telephony-based attack, fraud and abuse. It also optimizes infrastructure and services to reduce costs, simplify the management of enterprise voice communications network. It provides tools for the customers to analyse the performance and tracking of the customers' Voice over Internet Protocol network.

We distribute these products via system integrators and local resellers who specialise in network security solutions.

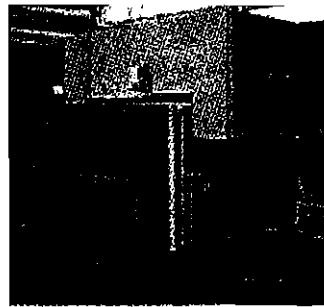
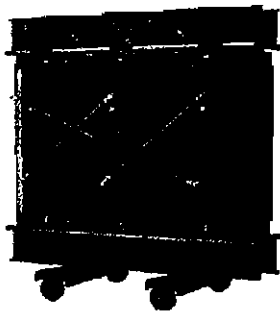
6. BUSINESS OVERVIEW (Cont'd)

6.2.3 Green Energy and Power Solutions

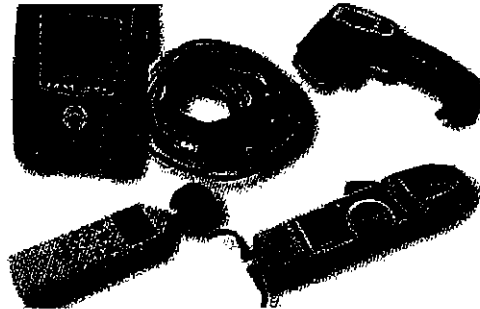
Our Group supplies power generation equipment including engine-generators (“gen-sets”), transformers and other related equipment used as back-up electricity generators for commercial, retail and factory buildings. Apart from supplying these equipment, we also provide installation, commissioning and testing services. Examples of our products are as follows:



Power Generation Equipment



Industrial Transformers



Testing Equipment and Spare Parts

Recognising the potential of renewable green energy sources, we have also begun introducing co-generation power systems (trial stages) to our customers which utilise both electricity generators and solar power panels in tandem to provide our customers with more environmentally friendly power generation solutions. Our solar power generation systems involve the conversion of solar energy into electricity for storage, distribution and use on or off the national electricity grid, using photovoltaic panels. We can implement such systems for customers with idle rooftop spaces, or open spaces frequently exposed to sunlight. Solar power can be generated for off grid use or sold to the power utilities companies (when applicable). Our green energy business is still in its early stages of development and implementation. Currently, the income generated by EI Power is derived from the sale of gen-sets which are under the power generation segment. Solar power generation is currently being tested and the customers are charged for the provision of installation services and the equipment provided.

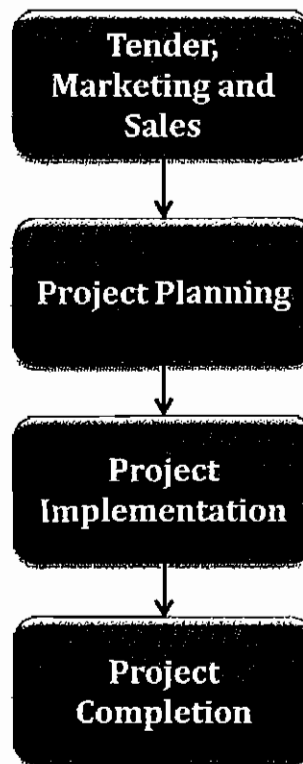
6. BUSINESS OVERVIEW *(Cont'd)*

6.2.4 M&E Engineering Services

M&E engineering services are needed for deployment and turnkey services i.e. mainly for the construction of the network site. Our Group is also involved in the provision of M&E engineering services in collaboration with other construction companies. We provide these services on sub-contract basis for the development of commercial buildings, healthcare institutions and other types of buildings during off peak periods (i.e. periods when there are no relevant telecommunications assignments).

6.3 BUSINESS PROCESSES

The figure below shows the basic business processes and project lifecycle that could be applied for our telecommunications network services, green energy and power solutions and M&E services. The business processes are divided into four (4) steps as follows:



(i) **Tender, Marketing and Sales**

We begin our projects by making bids via tenders. These activities are undertaken by OCK Setia, Delicom, Steadcom, EI Power and OCK M&E. Our management team is equipped with the latest news and technology in the telecommunications industry and energy solutions especially those that involves telecommunications operators. Understanding latest trends and technology in the market helps us understand our client's requirements and needs more accurately. With up-to-date market information, we will be able to propose suitable solutions to potential clients based on their needs and requirements in terms of technical specifications, timing and costs.

(ii) **Project Planning**

When a project is awarded to us, we will hold extensive discussions with clients to understand every requirement in greater detail. Our technical team will then work out the details of design for the client's infrastructure/equipment according to the budget allocated and their needs. Discussions will be carried out intensively to ensure that the right requirements are set and to enable all requirements to be met. Our technical personnel will provide consultancy services,

6. BUSINESS OVERVIEW (Cont'd)

advising clients on optimum solutions available, the equipment to be used, the best locations for site-building and other technical aspects of the projects being undertaken.

At this stage, internal planning is carried out whereby resource allocation, project timing and scheduling, logistics, procurement, contingencies and other facets of our implementation work is meticulously planned to ensure full and satisfactory completion of project work within acceptable timeframes.

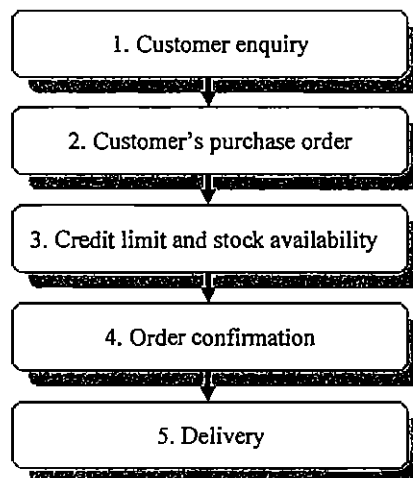
(iii) Project Implementation and Project Completion

Upon agreement with the project plan and design, our team of engineers and technical personnel will start on-site implementation.

Network sites that have been identified during project planning will be procured (i.e. rights to use land/tower) in this phase. We will proceed with civil, M&E engineering works and infrastructure equipment procurement, installation, commissioning and testing at the procured network sites. Proper project management methods and appropriate documentation are in place to ensure work traceability and audit. At the end of the implementation phase, systems are tested for user acceptance and upon verification and satisfaction of work done, clients will sign off documentations to mark the completion of the project.

Subsequent to the completion of the physical construction of a network site, we provide a range of network maintenance and operation services for customers to choose from. Fully implemented projects are usually maintained for a period of between one to two years depending on the terms of contract between customers and ourselves. The range of services and timeline subscribed is based on our client's requirements and needs. However, some of our customers prefer to maintain their own network operations after the completion of the implementation.

Our trading activities involves telecommunications and network security products and solutions which are undertaken by Fortress Singapore and Firatel. We offer a range of telecommunications network equipment and materials as well as network security software and products. The business processes of our trading activities are illustrated as follows:



The trading process begins with an enquiry from customer. Upon received of the customer's order, a review of the customer's credit limit and availability of stocks will be conducted. Once an order is confirmed, the delivery of stocks will then be arranged.

6. BUSINESS OVERVIEW (Cont'd)

6.4 MARKETING AND DISTRIBUTION

6.4.1 Marketing and Distribution Network

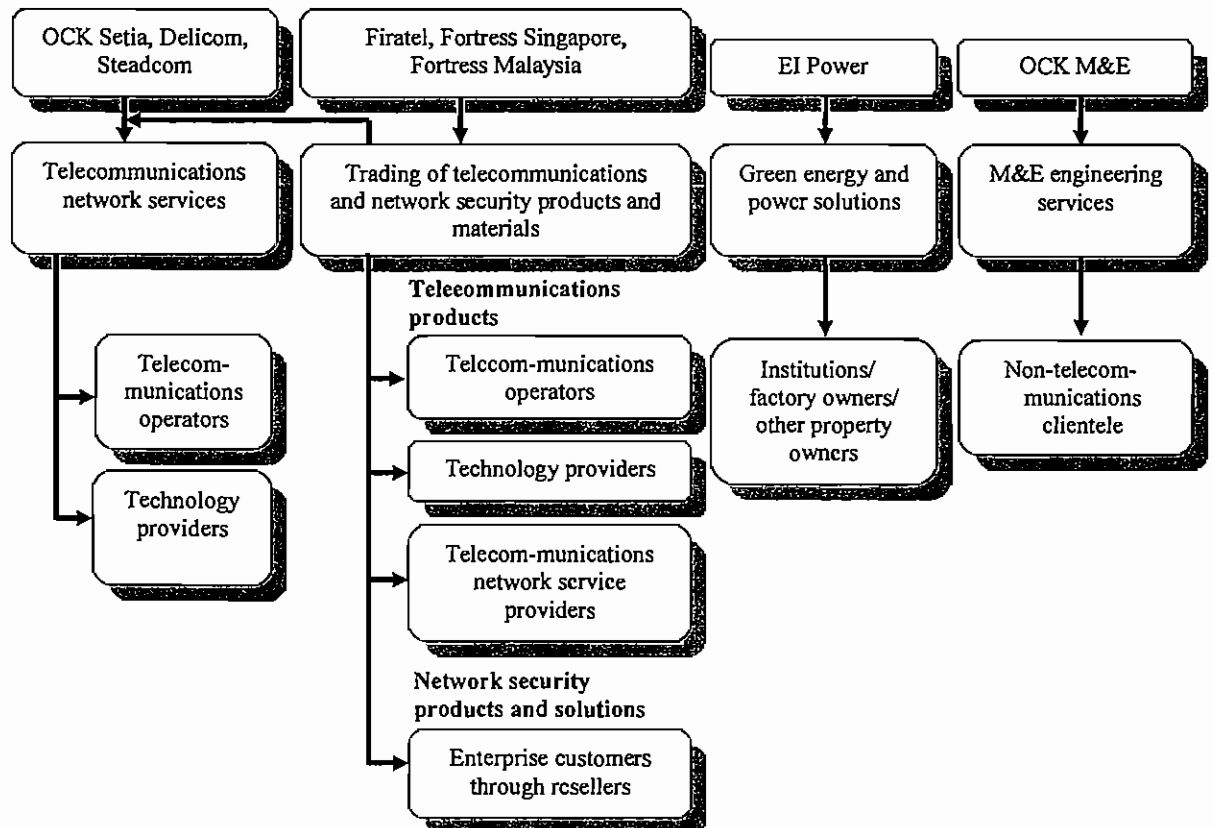
We have developed a process based on ISO standards which we use to handle tender processes. This process incorporates our corporate governance and policy in pricing and project handover.

We participate in tenders called for by various telecommunications equipment vendors amongst others Ericsson and Alcatel-Lucent, which in turn work with major telecommunications operators in Malaysia. In some instances, we deal directly with telecommunications operators such as Celcom, Maxis and DiGi.

Our offices in Malaysia are mainly used as support bases for our Malaysian project teams. These offices come with warehousing facilities which allow us to store materials and equipment needed to carry out projects around Malaysia. We have established offices in Kuala Lumpur, Penang, Kuantan, Johor Bahru, Kota Kinabalu and Kuching. We also have a regional sales office in Singapore to support business development activities for our network security solutions and products. Fortress Singapore organises workshops to introduce and educate the users of their network security solutions and products as well as participate in trade shows to promote its products and services.

We depend on active marketing as well as referrals for our energy and power solutions as well as our M&E activities. EI Power conducts workshops to educate its users of the latest energy and power solutions. As a result of the consistency of our product quality and delivery, our warranty, our technical knowledge and our after sales support services, many of our new customers have been introduced to us by our existing customers.

6.4.2 Distribution Channels



6. BUSINESS OVERVIEW (Cont'd)

We market and promote our telecommunications network services directly to telecommunications operators as well as to technology providers. Our telecommunications network equipment is being supplied for the provision of our telecommunication network services as well as to other telecommunications network services providers of such services and any other market participants which require such products.

Our network security products and solutions is sold through our network of our resellers in Singapore and Malaysia currently.

Our green energy products and solutions as well as M&E engineering services are marketed directly to the respective groups of customers who require such services.

6.4.3 Principal Markets

Save for the trading of network security products by Fortress Singapore in Singapore of approximately RM0.61 million, Malaysia is our principal market for our products and services. For the FYE 31 December 2011, the breakdown of our revenue by our principal activities are as follows:

| <u>Revenue by category</u> | FYE 31 December 2011 | |
|--|----------------------|---------------|
| | RM'000 | % |
| <u>Telecommunications network services</u> | | |
| Telecommunications operators | 30,455 | 34.48 |
| Technology providers | 39,355 | 44.56 |
| Others | 7,247 | 8.20 |
| <u>Trading of telecommunications network equipment and materials</u> | | |
| Direct to telecommunications operators/technology providers | 3,765 | 4.26 |
| <u>Trading of network security products and solutions</u> | | |
| Resellers | 613 | 0.69 |
| <u>Green energy and power solutions</u> | | |
| Direct to main contractors/end users | 14,959 | 16.94 |
| <u>M&E engineering services</u> | | |
| Direct to main contractors | 3,806 | 4.31 |
| Consolidation adjustments * | (11,875) | (13.44) |
| Total | 88,325 | 100.00 |

Note:

* The consolidation adjustments are in relation to inter-company revenue.

6. BUSINESS OVERVIEW *(Cont'd)*

6.5 COMPETITIVE STRENGTHS

(i) Established Market Reputation

We have been operating since 2000 and have an established market reputation throughout the years through our delivery of quality and timely services to telecommunications operators. The continuous provision of turnkey telecommunications network solutions to clients such as DiGi, Celcom, U Mobile, YTL and P1 has lent to benefit our reputation during project tenders. We are also a partner for technology providers such as Alcatel-Lucent, Ericsson, Huawei, NEC, SIAE and ZTE for their telecommunications projects in Malaysia.

We have also received acknowledgement of our work through the Golden Bull Award in 2007, 2009, 2010 and 2011 (100 Outstanding SMEs). We have also earned partner awards from technology providers such as Huawei and ZTE and are certified to comply with the ISO 9001:2008 requirements in the scope of supply and installation of telecommunications, mechanical and electrical systems and provision of related civil engineering works to enhance our client's confidence in our services.

(ii) One-Stop Solution Provider for Telecommunications Network Services

We are a one-stop solution provider for telecommunications network services where we provide turnkey solutions ranging from network planning, design and optimisation to energy management as well as infrastructure management. Apart from that, we also offer managed services for our clients involving the operations and maintenance of telecommunications networks.

Our technical personnel are well trained and by keeping abreast with the latest equipment knowledge, we are able to provide engineering services for telecommunication infrastructure regardless of the technology required to be used. We have previously dealt with infrastructure involving technologies such as GSM, 3G and WiMAX. Our Group is able to act as a one-stop-centre for telecommunications operators in its efforts to expand, upgrade, consolidate or manage their network infrastructure.

We are able to provide consultation on sites, implementation and maintenance strategies and are able to comprehensively carry out each of these facets for the client. We can help procure for sites and its necessary permits and approvals from the authorities, handle all structural and construction work, complete implementation and integration work as well as maintain and manage our customers' infrastructure.

(iii) Good Working Relationships with Technology Providers

Over the years, we have established close, long standing working relationships with several telecommunications technology providers which includes Alcatel-Lucent, Ericsson, Huawei, NEC and ZTE. These relationships strengthen our project tenders as we are able to provide our clients with confidence that their needs will be supported with technology from these technology providers.

Our relationship with Alcatel-Lucent and Ericsson dates back to 2004. We have also tied up with Huawei, NEC and ZTE since 2008 to broaden our product offerings to meet clients' needs. Our working relationships with these partners remain strong due to the good and timely services that we have provided throughout the years. These relationships will be mutually beneficial to us as there were incidence where they also referred us as their turnkey partners in their project tenders.

6. BUSINESS OVERVIEW *(Cont'd)*

(iv) Experienced Human Capital

Our success is highly attributable to our experienced management team that is familiar and proficient with the telecommunications industry. Our key management staff including our Managing Director has an average of ten (10) years' experience in the telecommunications industry. Some of our key management personnel have also served as previous management teams of our technology partners and providers, prior to joining our Group. As the telecommunications industry is technology oriented and requires a lot of expertise in the technical field, our ability to retain a team of capable and experienced human capital continues to help us stay ahead of our competitors.

Please refer to Sections 8.9.2 and 8.9.3 of this Prospectus for further details of the training and development provided to our personnel and management succession plan respectively.

6.6 SEASONALITY

Our Group does not experience significant fluctuations in our business due to seasonal factors. The need for telecommunications services and our Group's range of products and other services are perpetually in existence. Unless there are unusually long periods of adverse weather patterns which will disrupt the construction and implementation of network sites, we are not adversely affected by weather experienced in Malaysia. Due to the continuous upgrades being implemented by the various telecommunications operators as new telecommunications technology being introduced, we are constantly upgrading their network sites throughout the year.

In the past twelve (12) months of our operation, we have not experienced any business interruption.

6.7 TECHNOLOGY AND RESEARCH AND DEVELOPMENT

We are principally a provider of systems integration and engineering services primarily for the telecommunications industry. As such, our Group is not materially involved in research and development ("R&D") of technology but rather a user of technology. Our Group utilises the technologies embedded in telecommunications products which are supplied by technology providers. The extent of our R&D involves the research into state-of-the-art telecommunications network technologies available in the market to constantly update our knowledge base and capabilities in deploying them for our prospective clients. We are also constantly on the lookout for new and novel value added services or technologies which can augment and improve our current service offering/network infrastructure.

We are familiar with designing, building and maintaining network infrastructure according to the standards of various contemporary telecommunications technologies including:

3G Mobile Communications

3G or 3rd generation mobile telecommunications is a generation of standards for mobile phones and mobile telecommunication services fulfilling the International Mobile Telecommunications-2000 (IMT-2000) specifications by the International Telecommunication Union. Application services offered by 3G mobile services include wide-area wireless voice telephony services, mobile Internet access, video calls and mobile TV, all in a wireless, portable environment. To meet the IMT-2000 standards, a system is required to provide peak data rates of at least 200 kilobits per second.

HSDPA

HSDPA is an enhanced 3G mobile telecommunications protocol which allows high speed and volume data transmission over cellular networks. Current HSDPA deployments support down-link speeds of 1.8, 3.6, 7.2 and 14.0 megabits per second. In Malaysia, HSDPA services are offered by major mobile telecommunications operators and are marketed as 3G or 3.5G data services. They were first introduced in 2005 by Maxis and has subsequently been offered by Celcom in 2006, U Mobile in 2008

6. BUSINESS OVERVIEW (Cont'd)

and DiGi in 2009. The take up rate of HSDPA data services has been accelerating in recent years, attributable to concerted marketing efforts by mobile carriers, successful cross-selling (service bundling) strategy to a ready subscriber base and the proliferation of smartphone use, heighten by the iPhone and Blackberry devices.

WiMAX

WiMAX is a fairly new technology that provides wireless data transmission over long distances, with signal range of between 1-4 kilometres. Access to WiMAX services requires users to be in the proximity of a transmission station, which sends out wireless signal to all devices within its range. WiMAX signals are typically transmitted on the 2.3 GHz, 2.5 GHz and 3.5 GHz frequency spectra. In Malaysia, four (4) WiMAX operators were allocated licences to operate within the 2.3 GHz frequency spectrum. Commercial WiMAX rollout was expected to be rapid since the award of licences in 2007.

Although initial expectations of full-scale rollout was in 2008, it has been much slower in reality. Of the four (4) licensees, P1 was the first to launch its WiMAX services in the latter half of 2008 followed by Redtone International Bhd and Asiaspace Sdn Bhd's WiMAX offering. The latter two launches only entailed a limited service rollout, while P1 has achieved greater commercial coverage and success. YTL was the last of the four licensees to roll out WiMAX services in 2010. YTL launched its YES 4G WiMAX services, differentiating its offering from other WiMAX providers by offering voice services over the internet protocol (VOIP) as well as data services.

Legacy Technologies

We are familiar and are able to implement and maintain legacy technologies if and when required by telecommunications operators. These technologies include General Packet Radio Service ("GPRS") and Enhanced Data rates for GSM Evolution ("EDGE") technologies. GPRS is a packet-oriented mobile data service allowing the provision of data transmission (short text messaging, multimedia messaging, instant messaging and internet access) over a GSM network. EDGE technology succeeds GPRS as a data service that allows improved data transmission over GSM telecommunication networks. Both GPRS and EDGE are pre-3G mobile telecommunications technologies that pioneered mobile data transmission, but have since fallen out of favour among mobile operators in favour of newer data technologies. Nevertheless, telecommunications network still utilise these technologies. Therefore, we continue to offer implementation and maintenance services pertinent to these technologies.

Forthcoming Technologies

We will continue to update our expertise in tandem with market needs in order to enhance our technical expertise in view of the influx of new mobile technologies and networks. We view future technology development and implementation positively. As such, we expect that the eventual standardisation and implementation of 4G and LTE networks will present future market opportunities rather than threats to our Group's operations. Our partnership with various technology partners within this technology space also grants us the necessary future access to these technologies.

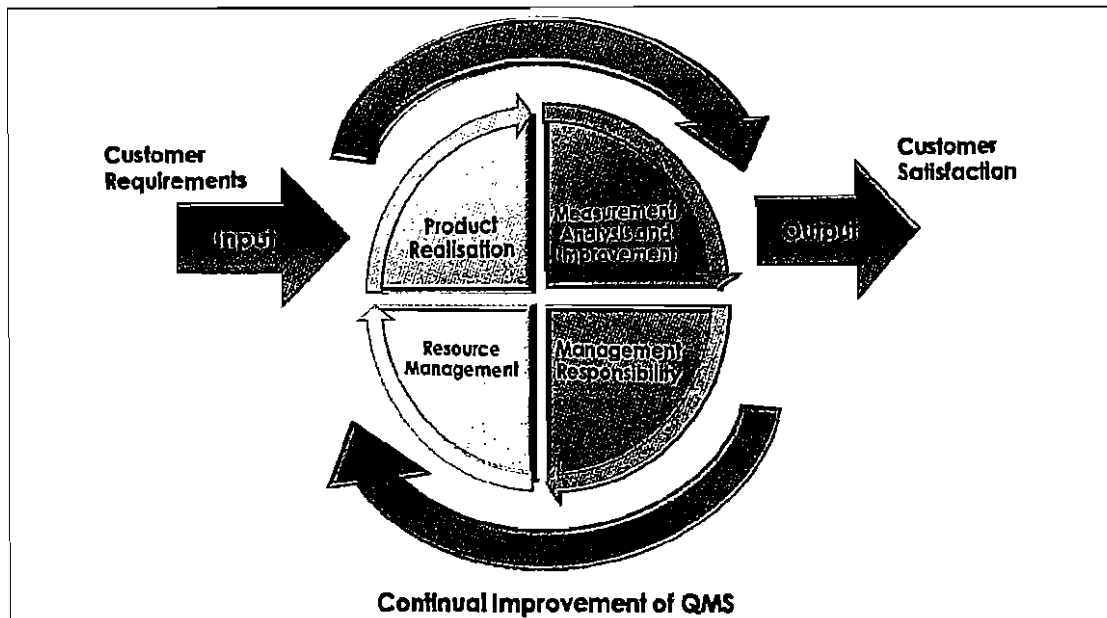
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6. BUSINESS OVERVIEW (Cont'd)

6.8 QA PROCEDURES AND MANAGEMENT

We place significant emphasis on quality. Our telecommunications network services activities adhere to stringent international quality standards. We obtained ISO 9001:2000 certification in 2008 which was updated to ISO 9001:2008 with respect to our QMS for the scope of supply and installation of telecommunications, mechanical and electrical systems and provision of related civil engineering works.

The QA process is established to ensure provision of quality products/services and timely delivery to our customers. The QA manual has been prepared by a team of engineers and project managers, detailing the quality process and procedures to adhere with ISO 9001:2008 quality standards. The diagram below depicts our QMS process for the telecommunications network services:



(i) Product Realisation

Product realisation is the sequence of processes and sub-processes required to achieve the required results in the provision of our services. Planning of the realisation processes shall be consistent with the other requirements of our QMS and shall be documented in a format suitable for our method of operation. In planning the processes for realisation of products, the following shall be determined, as appropriate:

- (a) Quality objectives and requirements of the service;
- (b) The need to establish processes and documentation, and provide resources and facilities specific to the services;
- (c) Verification, validation, monitoring, inspection activities, and the criteria for acceptability, compliance with documented procedures and quality plan; and
- (d) The records that is necessary to provide confidence of conformity of the processes and products meeting the requirements.

(ii) Measurements, Analysis and Improvement

As part of the QMS, we plan and implement monitoring, measurement, analytical and continual improvement processes needed to:

- (a) Demonstrate conformity of the project requirement;
- (b) Assure conformity of the QMS; and
- (c) Achieve improvement of the effectiveness of the QMS.

6. BUSINESS OVERVIEW (Cont'd)

As part of these processes, the safety and quality personnel measures and monitors the characteristics of our materials and services to verify that the requirements for materials and services are met. Our safety and quality personnel also ensures that materials/services that do not conform to the requirements are identified and controlled to prevent unintended implementation. Corrective actions will be taken to eliminate the cause of non-conformities of the materials/services in order to prevent recurrence of the problem.

(iii) Management Responsibility

Our Group's top management provide evidence of its commitment to the development and improvement of the QMS by:

- (a) Communicating to the employees the importance of meeting customer as well as regulatory and legal requirements;
- (b) Establishing the quality policy;
- (c) Ensuring relevant functions of Department; establishing quality objectives and ensuring their relevance to the quality policy;
- (d) Conducting management reviews; and
- (e) Ensuring the availability of necessary resources.

(iv) Resource Management

As part of our QMS, we determine and provide, in a timely manner, the resources needed:

- (a) To implement and maintain the QMS and continually improve its effectiveness; and
- (b) To address client satisfaction.

Our Management is committed to the execution of the procedures established in the QA manual. Our QA Engineer has complete authority to carry out the QA system to identify and control problems and to initiate, recommend and rectify the problems identified. The QA manual is reviewed as and when necessary to comply with customers' and the Group's procedures.

Further thereto, we are also subject to external quality audits by SIRIM QAS for our ISO certification renewals as well as by technology providers and telecommunications operators such as Ericsson, Alcatel-Lucent and DiGi. These technology providers and telecommunications operators conduct audit and checks on areas such as our human resources, warehouse operations, operational procedures, permits, invoice issuance systems and processes and certifications of calibration and test equipments which are performed periodically. All work that are being done on site will be required to be cross checked against a checklist and submitted to our clients for their verification prior to issuance of final confirmation of work performance. Our work on site are also subjected to regular spot checks to ensure compliance.

As for the products that we distribute, we rely on the warranties provided by manufacturers or equipment providers up to twelve (12) months. Internally, we provide our clients at least one (1) year warranty on services rendered. Further to that, our clients require us to obtain performance bonds for most projects being implemented.

6.9 PRODUCTION CAPACITIES AND OUTPUT

We are not bound by any production capacities or output as we are mainly involved in the provision of services. As at the LPD, we have 344 engineers, technicians and installers who have been assigned with respective telecommunications network service projects. Any new projects being undertaken will take into consideration of the current and potential manpower and expertise that are available to us.

We have not experienced any delay in our services due to shortages of manpower and expertise in the past twelve (12) months.

6. BUSINESS OVERVIEW (Cont'd)

6.10 MAJOR CUSTOMERS

Our major customers (those contributing 10% or more of total sales) over the four (4) FYE 31 December 2008 to 2011 are as follows:

| Customers | Industry | Segment of Telecommunications Services Rendered | Approximate Length of Relationship (Years) | FYE 31 December | | | | | | | |
|----------------------|-----------------------------|--|--|-----------------|--------|--------|--------|--------|--------|--------|--------|
| | | | | 2008 | 2009 | 2010 | 2011 | | | | |
| | | | | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Total Revenue | | | | 45,606 | 100.00 | 45,920 | 100.00 | 66,778 | 100.00 | 88,325 | 100.00 |
| Alcatel-Lucent | Technology provider | Telecommunications Network Services (Network Deployment) | 8 | 16,216 | 35.55 | 12,487 | 27.19 | 7,693 | 11.52 | 3,689 | 4.18 |
| DiGi | Telecommunications operator | Telecommunications Network Services (Turnkey Network Deployment) | 8 | 12,126 | 26.59 | 12,356 | 26.91 | 11,533 | 17.27 | 14,575 | 16.50 |
| Ericsson | Technology provider | Telecommunications Network Services (Network Deployment) | 8 | 2,509 | 5.50 | 5,686 | 12.38 | 11,891 | 17.81 | 11,521 | 13.04 |
| Huawei | Technology provider | Telecommunications Network Services (Network Deployment) | 4 | 140 | 0.31 | 2,589 | 5.64 | 6,336 | 9.49 | 7,964 | 9.02 |
| NEC | Technology provider | Telecommunications Network Services (Network Deployment) | 4 | 78 | 0.17 | 1,724 | 3.75 | 10,693 | 16.01 | 3,916 | 4.43 |

6. BUSINESS OVERVIEW (Cont'd)

| Customers | Segment of Telecommunications Industry | Technology provider | Types of Services Rendered | Approximate Length of Relationship (Years) | FYE 31 December | | | | | | | |
|-------------------------------|--|---------------------|---------------------------------------|--|-----------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | | | | | 2008 | 2009 | 2010 | 2011 | % | | | |
| | | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | | |
| ZTE | Telecommunications | Telecommunications | Network Services (Network Deployment) | 4 | 54 | 0.12 | 3,664 | 7.98 | 7,493 | 11.22 | 5,731 | 6.49 |
| Total | | | | | 31,123 | 68.24 | 38,506 | 83.85 | 55,639 | 83.32 | 47,396 | 53.66 |
| Total no. of customers | | | | | 33 | | 29 | | 58 | | 97 | |

For the FYE 31 December 2011, our Group had 97 customers. DiGi being our largest current customer, accounted for 16.50% of revenue contribution for FYE 31 December 2011. We are dependent on major customers such as DiGi and Ericsson (contributing over 10% of our total Group revenue for the FYE 31 December 2011.)

The following factors serve to mitigate our Group's dependency on our customers:

- (i) established long business relationships with these customers (between 4 to 8 years each) and are well positioned to continue as service providers for these customers; and
 - (ii) customers are in different segments of the telecommunications industry i.e. technology provider as well as telecommunications operators.
- Our Group continues to build relationships with our customers in the local market.

Please refer to Section 4.1 (iii) of this Prospectus for information on the risk relating to dependency on our major customers.

6. BUSINESS OVERVIEW (Cont'd)

6.11 SUPPLIERS

6.11.1 Types, Sources and Availability of Materials

Our Group mainly purchases consumable materials, metal products, electrical cables and connectors and civil work materials. We also depend on sub-contractors for our network deployment services. The table below details the types and value of purchases by and sub-contractor services rendered to our Group for the FYE 31 December 2011.

| Type of Material | Value of Purchases RM'000 | % of Total Group Purchases and Sub-contractor Services | Local % | Import % |
|---|---------------------------|--|--------------|--------------|
| Consumables materials such as bolts, nuts, cable ties and grounding kits | 1,245 | 2.22 | 100 | - |
| Metal products such as booms, unipoles, cable ladders and mounting brackets | 2,697 | 4.82 | 100 | - |
| Electrical power generation systems, cables, connectors and antennas | 17,277 | 30.88 | 30.95 | 69.05 |
| Civil work materials such as cement and piling steel frames | 618 | 1.10 | 93.53 | 6.47 |
| Network securities products and solutions | 412 | 0.74 | - | 100 |
| Sub-contractor services such as turnkey services and network deployment | 33,706 | 60.24 | 100 | - |
| Total | 55,955 | 100.00 | 77.87 | 22.13 |

The purchase prices of these products have remained fairly stable over the past four (4) FYE 31 December 2008 to 2011.. In the event that our raw material costs increase substantially, we are able to negotiate with our customers to adjust contract prices. In previous instances when raw material prices have substantially increased, we have managed to adjust the contract terms regarding pricing with our customers. We also have not experienced any difficulty securing the said materials according to our required quality from the market. We do not foresee any significant or prolonged shortages for these materials/services in the near future.

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6. BUSINESS OVERVIEW (Cont'd)

6.11.2 Major Suppliers

Our major suppliers (those contributing 10% or more of total purchases) over the four (4) FYE 31 December 2008 to 2011 are as follows:

| Types of Products Supplied | Approximate Ranking Relationship | FYE 31 December | | | | 2011 | | | |
|---|----------------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------|
| | | 2008 | 2009 | 2010 | 2011 | | | | |
| | | RM'000 | RM'000 | RM'000 | RM'000 | % | | | |
| Total Purchases | | 8,949 | 100.00 | 7,524 | 100.00 | 14,565 | 100.00 | 22,249 | 100.00 |
| Chi-Tak Electrical (KL) Sdn Bhd | 7 | 1,603 | 17.91 | 357 | 4.74 | 895 | 6.14 | 654 | 2.94 |
| Delfric Sdn Bhd | 5 | 1,017 | 11.37 | 46 | 0.61 | 43 | 0.30 | ^ | - |
| Guangdong Westinpower Co Ltd, China | 2 | - | - | - | - | 701 | 4.81 | 8,637 | 38.82 |
| Kia Metal Works Sdn Bhd | 10 | 1,530 | 17.10 | 2,593 | 34.46 | 2,359 | 16.20 | 1,698 | 7.63 |
| Tecsys Product Sdn Bhd | 6 | 1,440 | 16.09 | 819 | 10.89 | 1,202 | 8.25 | 868 | 3.90 |
| Rosenberger Asia Pacific Electronic Co Ltd, China | 3 | - | - | 114 | 1.52 | 2,362 | 16.22 | 1,205 | 5.42 |
| Total | | 5,590 | 62.47 | 3,929 | 52.22 | 7,562 | 51.92 | 13,062 | 58.71 |
| Total no. of suppliers | | 72 | | 67 | | 137 | | 150 | |

Note:

^ Negligible.

6. BUSINESS OVERVIEW (Cont'd)

Our purchases are sourced from local as well as foreign suppliers. Kia Metal Works Sdn Bhd and Tecsys Product Sdn Bhd are our major suppliers for over the last three (3) 2008 to FYE 31 December 2010 and more recently in FYE 31 December 2011, Guangdong Westinpower Co Ltd has been our major supplier. We are dependent on Guangdong Westinpower Co Ltd for the supply of products and materials for the running of our business.

The following factors serve to mitigate our Group's dependency on one of our suppliers:

- (i) established a good business relationship with these suppliers; and
- (ii) in the event that these major suppliers cannot offer critical supply to us, we are able to obtain good substitutes from other suppliers in the local and foreign markets.

Please refer to Section 4.1 (vii) of this Prospectus for information on the risk relating to dependency on our major suppliers.

Apart from suppliers, our Group also depends on sub-contractors to provide certain turnkey deployment services to us. Our major sub-contractors (i.e. those who contributed 10% or more of sub-contract work value) for the past four (4) FYE 31 December 2008 to 2011 are as follows:

| Types of Sub-contract Work Procured | Approximate Length of Relationship (years) | FYE 31 December | | FYE 31 December | |
|---|--|-----------------|--------|-----------------|--------|
| | | 2008 | 2009 | 2010 | 2011 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Total Sub-contract Values | | 23,189 | 25,527 | 27,588 | 33,706 |
| | | 100.00 | 100.00 | 100.00 | 100.00 |
| All Star | 5 | 5,650 | 3,405 | 378 | - |
| Sub-contract work for turnkey telecommunications network services | | 24.37 | 13.34 | 1.37 | - |
| Total | | 5,650 | 3,405 | 378 | - |
| | | 24.37 | 13.34 | 1.37 | - |
| Total no. of sub-contractors | | 143 | 144 | 190 | 219 |

6. BUSINESS OVERVIEW (Cont'd)

6.12 MAJOR LICENCES, PERMITS AND REGISTRATIONS

The major licences, permits and registrations of our Group as at the LPD together with the conditions attached and status of compliance are as follows:

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | Conditions Imposed | Status of Compliance |
|-------------------|--------------|-------------------------|---|---|----------------------|
| CIDB | 22.06.2011 | 22.06.2011 - 21.06.2013 | G6 license for specialisation in: i. B04 (General building works, including fixing partitions, roofing and general maintenance of buildings) ii. CE21 (General civil engineering works, including earthworks, subsoil drainage, etc) iii. M15 (Installation, testing commissioning, maintenance and repair of mechanical based systems such as pumping installation, sewerage treatment plant installation, water treatment plant installation, rotary pumps, reciprocating pumps, centrifugal pumps and special purpose pumps, etc). | G6-For tendering capacity not exceeding RM10,000,000. G7-For tendering capacity of no limit. | Completed. |
| | | | G7 license for specialisation in: i. E04 a) General wiring and control system wiring works not exceeding 1 Kilovolt ("KV"); b) Installation and maintenance of low tension overhead lines and underground cabling not exceeding 1 KV; and c) Also includes installation and maintenance of generating plant and equipment not exceeding 1 KV. | | |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | Conditions Imposed | Status of Compliance |
|-----------------------------|--------------|-----------------------|--|--|----------------------|
| | | | ii. E07 (Telephone cabling and internal ducting, radio based communication system, private branch automatic exchange (PABX), microwave system, multiplex and signaling, tropo-scatter system, satellite system, radar surveillance system, data communication equipment, remote subscriber system, vessels and navigational specialized system, etc.) | | |
| | | | iii. E08 (Telecommunications cabling(underground/overhead), manholes, underground ducting/pipes). | | |
| Malaysian Energy Commission | 03.07.2011 | 03.07.2011-02.07.2013 | Registered as electrical contractor under Electricity Regulations 1994 (Amendment 2003) of class A : | Registered electrical contractor for electrical works, installation and electrical wiring at: No. 11 & 13 Jalan Puteri 2/6 Bandar Puteri 47100 Puchong Selangor Darul Ehsan | Complied. |
| | | | i. is capable of carrying out electrical work above one million ringgit in value; | | |
| | | | ii. has employed on a full-time basis at least three wireman with three phase restriction, and nothing in this paragraph prohibits him to be one of the three wireman; | | |
| | | | iii. has employed on a full-time basis at least one wireman with three phase restriction authorised to test an installation, and nothing in this paragraph prohibits the wireman from being one of the three wireman with three phase restriction as provided in paragraph (i); and | | |
| | | | iv. has employed on a full-time basis at least two wireman with single phase restriction, and nothing in this paragraph prohibits him to be one of the two wireman. | | |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | Registered contractor for field of supply and services that falls under: | Registered contractor only for supply and services under headings: | Conditions Imposed | Status of Compliance |
|--------------------------|--------------|-----------------------|---|---|--|--------------------|------------------------|
| Ministry of Finance | 17.06.2010 | 17.06.2010-16.06.2013 | | Registered contractor for field of supply and services that falls under: <ol style="list-style-type: none"> 010100 – reading materials. 020101 – housing and office furniture and equipment. 020300 – housing and office electrical appliances. 030100 – fire prevention equipment and security control. 030200 – safety equipment and attire. 040100 – communication equipment. 040200 – teaching aids. 050200 – attire and equipment. 090100 – medical tools and equipment. 140100 – construction material 200300 – cable, accessories and conductors. 200400 – lightings and equipment. 220101 – air conditioner (window/ split). 220102 – office machinery. 220103 – fire extinguisher and tools. 220401 – building cleaning. 220402 – area cleaning. 220403 – trash lifting. | 010100, 020101, 020300, 030100, 030200, 040100, 040200, 050200, 090100, 140100, 200300, 200400, 220101, 220102, 220103, 220401, 220402, 220403 | | Complied. |
| Pusat Khidmat Kontraktor | 26.09.2011 | 24.08.2011-23.08.2013 | | Registered Civil Work Contractor for Head IV. Registered Electrical Contractor for Class II. Registered Electrical Contractor for subheads: <ol style="list-style-type: none"> 1 – General wiring works. 2 – Control system wiring. 3 – Overhead line installation low voltage and underground cable. 4 – Underground cable installation exceeding 1 KV up to and including 11 KV. | Nil | | Not applicable (“N/A”) |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | High voltage equipment to and including 11 KV; and Over 11 KV. | Conditions Imposed | Status of Compliance |
|---------------------------------|--------------|-----------------------|--|--|---|----------------------|
| | | | v. 10 - High voltage equipment installation: (a) to and including 11 KV; and (b) Over 11 KV. | | i. Paid-up capital/ accumulated capital of RM50,001. ii. Able to operate throughout Malaysia. | |
| | | | vi. 15 - Electrical engineering system installation/low voltage electronics addition such as attachment system and mover, security system etc. | | Company officials stated in the registration certificate are representatives authorised to sign all the company's contract documents and to take or authorise in writing to company employees to take a tender form. They are: i. Ooi Chin Khoon ii. Abdul Halim Bin Abdul Hamid iii. Hussin Bin Abu Bakar iv. Annuar Bin Shamsudin | N/A |
| SIRJM QAS | 15.12.2010 | 01.03.2011-28.02.2014 | SIRJM QAS International Certificate for supply and installation of telecommunications, mechanical and electrical systems and provision of related civil engineering works | | Nil | N/A |
| Celcom | Nil | 09.12.2011-09.12.2014 | Registered as Celcom's registered Supplier/ Contractor | | Nil | N/A |
| IQNet Association and SIRJM QAS | 15.12.10 | 01.03.2011-28.02.2014 | International Certification Network and SIRJM QAS certificate for implementing and maintaining a Quality Management System which fulfils the requirement of the standard ISO 9001:2008 for the supply and installation of telecommunications, mechanical and electric systems and provision of related civil engineering works | | Nil | N/A |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | Telekom Malaysia Berhad's Nil | Conditions Imposed | Status of Compliance |
|--|--------------|-------------------------|---|----------------------------------|---|----------------------|
| Telekom Malaysia Berhad | 6.12.2010 | 03.12.2010 - 02.12.2012 | Registered as registered vendor | Malaysia Berhad's Nil | | N/A |
| Construction Labour Exchange Berhad | 4.04.2011 | 14.03.2011 - 15.03.2014 | Registered with Berhad | Construction Labour Exchange Nil | | N/A |
| Minister of Information, Communications and Culture ("MICC") | 29.11.2011 | 29.11.2011 - 28.11.2016 | Registered as Network Facilities Provider | | <p>a) obligation to notify the MICC of any changes in the substantial shareholding of the company;</p> <p>b) obligation to notify the MICC of any joint ventures or consortiums, which it enters with any other licensees after the grant of the licence;</p> <p>c) obligation to commence the provision of facilities which it is authorised to provide within twelve (12) months from the date of license;</p> <p>d) obligation to obtain the approval of MICC in the event OCK Setia wishes to provide any network facilities other than towers, poles, ducts and pit used in conjunction with other network facilities;</p> <p>e) obligation to give not less than two (2) months notice in writing to MICC and MCMC in the event the licensee intends to suspend provision of any facility being provided and shall recommence the provision of the suspended facilities not later than four (4) months from the date of its suspension;</p> <p>f) the licensed area shall be in Malaysia;</p> | Complied |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Validity Period | Type of License/Registration/Permit/Certification | Conditions Imposed | Status of Compliance |
|-------------------|--------------|-----------------|---|---|----------------------|
| | | | | <p>g) the licensee shall be subject to the annual licence fee equivalent to 0.5% of gross turnover less the applicable rebates, provided that the applicable annual licence fee shall not be less than 0.15% of the gross turnover of the preceding financial year of the licensee of fifty thousand ringgit, whichever is greater;</p> <p>h) obligation to prepare and deliver to MCMC separate accountant records as may be required by MCMC from time to time;</p> <p>i) obligation to inform the commission on alterations to licensee's network;</p> <p>j) obligation to notify MICC in writing, of any restructuring or rationalization of the licensee's corporate structure;</p> <p>k) obligation to provide universal service and/or contribute to universal service fund;</p> <p>l) obligation to adhere to requirement of shareholding which includes foreign (30) percent and the Bumiputera equity in the licensee is not less than thirty (30) percent, whereby the licensee shall have within one (1) year from the date of issue of the license to comply with the aforesaid Bumiputera equity requirement;</p> <p>m) obligation to comply with detailed business plan submitted to MCMC; and</p> | |

6. BUSINESS OVERVIEW (Cont'd)

| Issuing Authority | Issuing Date | Expiry/Validity Period | Type of License/Registration/Certification | Penalty/Conditions Imposed | Status of Compliance |
|-------------------|--------------|------------------------|--|---|----------------------|
| | | | | n) obligation to submit two progress report annually to MCMC outlining the steps taken to implement the detailed business plan to MCMC as their monitoring mechanism. | |

6.13 INTELLECTUAL PROPERTY RIGHTS

Our Group does not hold any intellectual property rights.

6.14 DEPENDENCY ON PATENTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS

6.14.1 Dependency on Intellectual Property Rights

Our Group is not dependent on any patents or intellectual property rights for our business operations.

6.14.2 Dependency on Major Licences

Save as disclosed in Section 6.12 of this Prospectus, our Group is not dependent on any major licences, for our business operations.

6.14.3 Dependency on Industrial, Commercial and Financial Contracts

Save for our frame agreements signed with our customers, our Group is not dependent on any material contracts or agreements including industrial, commercial and financial contracts, which are material to our business or profitability.

6. BUSINESS OVERVIEW (Cont'd)

6.15 PROPERTY, PLANT AND EQUIPMENT

6.15.1 Own Properties

As at the LPD, we own the following properties:

| Registered/ Beneficial Owner | Title/Address | Description/ Existing Use | Tenure | Encumbrances | Land Area/ Built - up Area (sq ft) | Audited NBV as at 31 December 2011 RM'000 | Market Value as at September 2011 RM'000 | Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance |
|------------------------------------|--|--|---|---|--|--|--|---|
| OCK Setia | (i) Title: P.T.Nos 629 & 630 held under Title No. H.S.(D) 63627 & 63628 respectively Mukim Damansara District of Petaling State of Selangor | Single (1) storey detached warehouse annexed with a three (3) storey office building/ Rented to third party | Freehold | Charged to AmIslamic Bank Bhd vide presentation No. 38315/2012 dated 19.04.2012 | 55,800/ 35,454 | 7,814 ⁽¹⁾ | 7,840 | 20.06.1995 |
| | Address: No. 79 & 80, Hicom Sector B, Jalan Gadung 27/93A, 40000 Shah Alam Selangor Darul Ehsan | | | | | | | |
| | (ii) Title: P.T. No 703 held under Title No. H.S.(D) 194910 Town of Sunway District of Petaling State of Selangor | Three (3) storey terrace intermediate shop office/First and second floors rented to third party whilst ground floor remains unoccupied | 99 years lease expiring 06.11.210 2 | Charged to AmIslamic Bank Bhd vide presentation No. 38316/2012 dated 19.04.2012 | 1,765/ 5,280 | 1,943 ⁽²⁾ | 1,950 | 18.08.2008 |

6. BUSINESS OVERVIEW (Cont'd)

| Registered/ Beneficial Owner | Title/Address | Description/ Existing Use | Tenure | Encumbrances | Land Area/ Built – up Area (sq ft) | Audited NBV as at 31 December 2011 RM'000 | Market Value as at September 2011 RM'000 | Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance |
|------------------------------------|--|---|---|---|--|--|--|---|
| | Address: No. 21, Jalan PJS 8/18, Dataran Mentari, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan | | | | | | | |
| OCC M&E | Title: P.T. No. 41553 held under Title No. H.S.(M) 19182, Mukim Dengkil, District of Sepang, State of Selangor | One and a half storey (1 ½) semi- detached factory/ Unoccupied | 99 years lease expiring 24.11.2107 | Charged to Public Bank Berhad vide presentation No. 228/2011 dated 01.02.11 | 8,125/ 4,043 | 1,836 ⁽³⁾ | 1,840 | 21.09.2011 |
| | Address: No. 6, Jalan PTP 1/1 Taman Perindustrian Tasik Perdana @ Puchong, 47120 Puchong, Selangor Darul Ehsan | | | | | | | |
| Total | | | | | | 11,593 | 11,630 | |

Notes:

- (1) Includes a revaluation surplus (net of deferred taxation of 5.00%) of approximately RM2.01 million.
(2) Includes a revaluation surplus (net of deferred taxation of 5.00%) of approximately RM1.11 million.
(3) Includes a revaluation surplus (net of deferred taxation of 5.00%) of approximately RM0.30 million.

6. BUSINESS OVERVIEW (Cont'd)

6.15.2 Rented Properties

In addition, as at the LPD, we are also renting the following properties for our operations:

| Tenant | Landlord | Address | Description of Existing Use | Rental Period | Annual Rental RM | Land Area/Built up Area (sq. ft) |
|-----------|----------------|---|--|--------------------------------|------------------|----------------------------------|
| OCK Setia | Ooi Chin Khoon | 11 & 13, Jalan Puteri 2/6 Bandar Puteri 47100 Puchong Selangor Darul Ehsan | <p>Four (4) storey intermediate shop office:</p> <ul style="list-style-type: none"> Ground floor: Reception; Server Room and IT department; Engineering and Regulatory department First floor: Occupied by OCK M&E and Delicom for their entire operations; Group Telecommunications Project department Second floor: Occupied by Firatel for its support functions such as marketing and administrative functions; OCK Setia Tendering and Marketing department; Group Human Resources, Finance and Administration department and Group Managing Director's office | 01.08.2009 to 31.07.2014 | 263,568 | 4,000/15,300 |

6. BUSINESS OVERVIEW (Cont'd)

| Tenant | Landlord | Address | Description/ Existing Use | Rental Period | Annual Rental RM | Land Area/Built up Area (sq. ft) |
|--------------------|--|---|---|--------------------------|---------------------|--|
| | | | <ul style="list-style-type: none"> Third floor: Group's Telecommunications Project department | | | |
| Firatel | Gentro Precision Engineering Sdn Bhd | Lot 32, Jalan TPP 1/12 Taman Industri Puchong 47160 Puchong Selangor Darul Ehsan | Single (1) storey detached warehouse/Storage of equipment and materials with a warehouse office | 15.08.2010 to 14.08.2012 | 90,000 | 12,000/7,800 |
| Fortress Singapore | Overseas-Chinese Banking Corporation Limited | 110, Robinson Road #02-00, Singapore 068901 | First floor of a commercial building/Occupied by Fortress Singapore for: <ul style="list-style-type: none"> Administrative department and sales department; and Storage for network security products | 15.08.2010 to 31.05.2013 | 103,388 * | Not applicable as it is located on the first floor of the building/1,500 |
| EI Power | Shobu Sdn Bhd | No 2, Jalan Anggerik Mokara 31/49 Kota Kemuning Seksyen 31 40460 Shah Alam Selangor Darul Ehsan | One and half (1½) storey corner semi-detached building/ Occupied by EI Power for its entire operations and storage of equipment | 01.11.2010 to 31.10.2012 | 144,000 | 16,000/8,500 |

6. BUSINESS OVERVIEW (Cont'd)

| Tenant | Landlord | Address | Description of Existing Use | Rental Period | Annual Rental RM | Land Area/Built up Area (sq.ft) |
|-----------|----------------------------|--|---|--------------------------|------------------|--|
| OCK Setia | SY Management Services | 30, Lengkok Kikik Taman Inderawasih 13600 Prai Pulau Pinang | One and half (1½) storey corner semi-detached factory/ Occupied by OCK Setia as: <ul style="list-style-type: none"> • Site office; and • Warehouse for temporary storage of telecommunications network equipment and all other supporting accessories for its projects in the northern region | 14.09.2011 to 14.08.2012 | 42,312 | 2,000/2,400 |
| OCK Setia | CDS Global (Sabah) Sdn Bhd | SD42, Taman Industrial Warisan Indah DBKK Lorong Indah Warisan Indah 3, Mile 7 Jalan Tuaran 88450 Inanam Kota Kinabalu Sabah | One and half (1½) storey corner semi-detached factory/ Occupied by OCK Setia as: <ul style="list-style-type: none"> • Site office; and • Warehouse for temporary storage of telecommunications network equipment and all other supporting accessories for its projects in Sabah | 01.08.2011 to 01.08.2012 | 54,000 | 12,000/7,500 |
| OCK Setia | Wong Chuen Hua | 2 nd Floor, Block 3142 Block 10, Jalan Laksamana Cheng Ho 93350 Kuching Sarawak | Second floor of a shop lot/ Occupied by OCK Setia as office for its projects in Sarawak | 01.02.2012 to 31.01.2013 | 9,000 | Not applicable as it is located on the second floor of a shop lot /2,000 |

6. BUSINESS OVERVIEW (Cont'd)

| Tenant | Landlord | Address | Description/ Business Use | Rental Period | Annual Rental RM | Land Area/ Built up Area (sqft) |
|-----------|----------------|--|---|--------------------------------|---------------------|---|
| OCK Setia | Ho Yock Main | No. 2, Jalan TPP 1/11 Taman Industri Puchong 47100 Puchong Selangor Darul Ehsan | One and half (1½) storey corner semi-detached factory/ Occupied by OCK Setia as: <ul style="list-style-type: none"> • Site office; and • Warehouse for storage of telecommunications network equipment and all other supporting accessories | 01.04.2012 to 31.03.2013 | 192,000 | 14,000/15,000 |
| OCK Setia | Quek Meu San | 9-3, Jalan Puteri 2/6 Bandar Puteri 47100 Puchong Selangor Darul Ehsan | Third floor of a shop lot/ Group Telecommunications project department; Occupied by Steadcom as its office for its administrative department and sales department. | 01.08.2011 to 31.07.2013 | 19,200 | Not applicable as it is located on the third floor of a shop lot /2,000 |
| OCK Setia | Low Keng Chiew | 10, Jalan Bakawali 72 Taman Johor Jaya 81100 Johor Bahru | One and half (1½) storey factory/ Occupied by OCK Setia as: <ul style="list-style-type: none"> • Site office; and • Warehouse for temporary storage of telecommunications network equipment and all other supporting accessories for its projects in the southern region | 15.05.2012 to 14.05.2014 | 33,600 | 5,000/3,500 |

Note:

* Based on annual rental of SGD42,372 with the average exchange rate during the FYE 31 December 2012 of RM2.44:SGD1.00.

6. BUSINESS OVERVIEW (Cont'd)

6.15.3 Material Equipments

The details of our material equipments are as follows:

| Equipment | No. of Units | Audited NBV as at 31 December 2011 | RM |
|--|--------------|------------------------------------|---------|
| Handheld cable and antenna analyser (ANRITSU S331E) | 1 | | 36,000 |
| Drive test tools for measurement of signal coverage (WCDMA 900 LX(CODE:06028) c/w Power-232 Cable, CAR-Lighter Termination-16' Long USB to RS232 Cable-Serial Converter Antenna, GPS High Gain Antenna, 698-2300 MHZ Multi-Band Mag Mount, High Performance) | 3 | | 88,304 |
| Drive test tools for measurement of signal coverage (PCT-505 WCDMA Scanner 900 and 2100) | 2 | | 33,915 |
| Drive test tools for measurement of signal coverage (WCDMA 2100 Power-232 cable, Car-lighter Termination-16' long Antenna, GPS High Gain Antenna, 800-2100 MHz Multi-Band Mag Mount) | 7 | | 82,010 |
| Ethernet Tester | 1 | | 9,200 |
| | 14 | | 249,429 |

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6. BUSINESS OVERVIEW *(Cont'd)*

6.15.4 Regulatory Requirements and Environmental Issue

As at the LPD, our Board believes that, we are in compliance in respect of all regulatory requirements (including land rules and building regulations) and environmental issues which may materially affect our Group's operations and/or utilisation of assets.

6.15.5 Interruptions to Business and Operations

We have not experienced any material interruption in business which had a significant effect on our operations during the past twelve (12) months preceding the LPD.

6.16 FUTURE PLANS, STRATEGIES AND PROSPECTS

6.16.1 Future Plans and Strategies

Our Group is targeting to further strengthen our competitive advantages by implementing the following plans and strategies:

(i) **Strengthening Position Towards Becoming a Regional Telecommunications Network Service Provider**

We have currently started to commence project trials in Vietnam for optimisation and drive test services for 3G cellular networks whereby a report of project trials has been submitted to a telecommunications operator in Vietnam for their consideration. We plan to venture into emerging countries like Philippines, Thailand, Indonesia, Vietnam and Myanmar where the potential for telecommunications network deployment remain strong. We intend to work with technology providers with existing operations in these countries as a way to penetrate these markets. We have started our negotiations with these technology providers on details of agreements in Indonesia, and Vietnam and will be setting up local offices to commence operations thereafter.

In order to expand within the foreign markets, our Group is keeping abreast with the latest telecommunications technology advancements within each target market to ensure our services and solutions are capable of competing with local equivalents. We expect to start the regional expansion in the final quarter of 2012 whereby we are currently in the preliminary stages of discussions with technology partners in Phillipines, Indonesia, Thailand, Myanmar, Vietnam. The expansion plan will be financed through project financing facilities which will be raised subsequent to the finalisation of project details and/or signing of agreements.

(ii) **Becoming a Local Telecommunications Infrastructure Owner**

Telecommunications operators have traditionally been the owners of their own infrastructure. However, infrastructure development costs have been increasing. This is due to several factors including the rapid evolution of technology necessitating frequent upgrades, heavier usage of telecommunications services requiring greater infrastructural capacity. In tandem with these changes, telecommunications operators are already beginning to lean towards network infrastructure sharing and other means of cutting infrastructure investment while maintaining or improving service levels to consumers.

We intend to capitalise on this trend, along with our expertise in building and managing telecommunications infrastructure, by building and owning telecommunications infrastructure, which may include buying existing telecommunications towers from local telecommunication operators, and renting it back to them. Our Group recognises that renting out telecommunications towers is a sustainable source of revenue for us in the long run. Consequently, we have obtained the NFP license from MCMC on 29 November 2011 which will permit us to build and own telecommunications towers. With the NFP license, we will be able to build and rent out telecommunications infrastructure to telecommunications operators. We envisage to spend an initial RM9.90 million of the proceed raised from our Public Issue

6. BUSINESS OVERVIEW (Cont'd)

for the construction of new telecommunication infrastructure and to use internally generated funds for any potential acquisition of telecommunication infrastructure. Whilst we have begun marketing this segment towards telecommunications operators, we envisage the plan to buy existing and/or build new telecommunications infrastructure will be implemented over the next two (2) years.

Background of NFP

The MCMC has been issuing the NFP licenses since 2001. The NFP license governs the ownership and operations of telecommunications facilities. NFP licenses are allowed to build, own and operate satellite stations, broadband fibre optic networks, telecommunications towers and other infrastructure. Typical NFP licenses include radio and television broadcasters, cellular network operators, as well as broadband internet service providers (ISP). Based on the MCMC's website, as at 11 October 2011 there are a total of 117 companies with NFP licenses. The license issued is based on any or a combination of the type of network facilities that is intended to be provided/provided by the applicant companies/ licenses as follows:

- (a) Earth stations;
- (b) Fixed links and cables;
- (c) Public payphone facilities;
- (d) Radio communications transmitters and links;
- (e) Switching centres;
- (f) Satellite hubs;
- (g) Space stations;
- (h) Submarine cable landing centre; and
- (i) Towers, poles, ducts and pits used in conjunction with other network facilities.

NFP license granted to our Group

The Group's application to obtain the NFP license was submitted on 19 October 2011. The NFP license was subsequently granted to OCK Setia which is valid for five (5) years from 29 November 2011 for item (i) above, i.e. for the provision of network facilities that consists of towers, poles, ducts and pits used in conjunction with other network facilities stipulated in the NFP license.

Out of 117 companies with NFP licenses, 17 companies have been granted with NFP license solely for the provision of network facilities for item (i) above which is similar to the license granted to our Group. However unlike our Group, based on publicly available information, most of the said 17 companies are owned/backed by the state governments, which were formed to collect rental from the telecommunications operators for the usage of the respective companies' telecommunications towers.

There is an increasing inclination by the MCMC to award NFP licenses to parties other than telecommunications operators and media broadcasters, thus encouraging infrastructure ownership among third parties including telecommunications network service providers.

This is in line with regional trends in telecommunications services, where operators are increasingly consolidating infrastructure costs through infrastructure sharing and renting from third-party owners. Within Malaysia, the award of NFP licenses to non-traditional licensees opens up opportunities for telecommunications network services providers to gradually shift towards a business model of telecommunications infrastructure ownership, receiving rental revenue from operators interested in increasing network reach without directly incurring heavy infrastructure development costs.

6. BUSINESS OVERVIEW (Cont'd)

Rationale for the venture to telecommunications infrastructure owner

The rationale for our Group's venture into telecommunications infrastructure owner are as follows:

- Tower operations provide our Group with recurring income for this investment. Currently, our Group is already in discussions with telecommunications operators for our latest offering;
- The proposed tower operations will also yield our Group with additional streams of revenue such as sale of replacement equipments and maintenance packages; and
- The asset-light model is relatively new, therefore our Group can capitalise on being one of the early beneficiaries of the model.

Status of implementation

OCK shall comply with the conditions attached to our NFP license, including the obligation to build and own forty (40) telecommunications towers in the next one (1) year and subsequently fifty (50) telecommunications towers for each year thereafter up to year five (5). The estimated cost for each site is approximately RM0.35 million. These assets is expected to be depreciated on a straight-line basis over an estimated useful life of 25 years. The Group intends to finance the construction of the towers from a combination of proceeds from the listing exercise as well as internal funding and bank borrowings.

(iii) **Capitalising on Trends in Infrastructure Collaboration among Telecommunications Operators and Managed Services**

In response to Government's call to optimise network deployment, telecommunications operators are joining forces to share network infrastructure resources to reduce premises/ tower rental expenditure, share set up costs and spread out transmission costs while increasing network coverage and depth. In view of this direction, major local telecommunications operators will be embarking on infrastructure consolidation, relocation and joint development work. This is a clear opportunity for our Group to capitalise on as our Group has existing expertise in turnkey services for telecommunications infrastructure. We intend to secure a portion of these future infrastructure projects via our existing business relationships with major telecommunications operators, especially within the cellular telecommunications market.

The collaboration of DiGi and Celcom in 2011 has opened up opportunities for us as we are one of the three (3) service providers selected to carry out the deployment tasks for an integration project with an estimated value of RM400 million for infrastructure collaboration. The three (3) year frame agreements will allow us to carry out installation and dismantling of sites in tandem with both operators' plans to consolidate their infrastructure. The project involves a total of approximately 12,000 sites. We intend to capture further similar opportunities from similar collaborations between telecommunications operators.

With Malaysia's infrastructure network growing rapidly, there is also a need to increase operational efficiency to optimise capital expenditure needs. The network effectiveness can be achieved not only by building new infrastructure but by also ensuring that current infrastructure is performing optimally and efficiently.

Our Group intends to expand our involvement in the area of managed services where we help telecommunications operators ensure this network effectiveness and efficiency through proper network operations and maintenance. Our Group had previously provided maintenance services to NSN and Alcatel-Lucent to maintain Celcom's 3G radio base station and radio microwave equipment. The maintenance contracts were secured in 2007 and the revenue was

6. BUSINESS OVERVIEW (Cont'd)

recognised up to FYE 31 December 2008. Subsequent to FYE 31 December 2008, there is no income derived from maintenance services. We aim to promote our managed services further particularly to cellular telecommunications operators over the next three (3) years tapping into their focus of rationalisation of capital expenditure. We have recently entered into a maintenance contract with one of the technology partners to undertake such services for Central Region and East Malaysia. We are also currently exploring possibilities with one of our technology provider to provide maintenance services for their clients.

We intend to spend approximately RM9.70 million as operational expense over the next one (1) year to capitalise on this trend.

(iv) Incorporating Green Technology into Our Telecommunications Infrastructure

Increasing telecommunications infrastructure demand contributes to greater energy demand. With the increase of network traffic, power consumption will increase proportionally to the number of base stations. Concurrent with global initiatives to reduce global warming and to promote sustainable energy consumption, green technologies and green energy are among the solutions highlighted to reduce energy consumption and a dependence on non-renewable energy sources.

Understanding both the increase in infrastructure demand and the need for energy prudence, our Group has started to venture into the incorporation of green technologies into our infrastructure deployments. Due to the significant outdoor presence of telecommunications infrastructure, we are working towards incorporating solar energy utility at our client's infrastructure facilities. We are currently exploring the use of solar panels for energy generation. We are also looking into optimising our system architecture for base stations in order to reduce energy usage. Through El Power, we have already ventured into the integration of solar power generation systems, utilising solar power technology from Germany. We have successfully integrated generation systems for trial projects and will continue seeking new customers for this business in order to build our experience and expertise in this area of green energy. We expect to begin commercial implementation of solar power generation systems for telecommunications infrastructure in 2014 and will finance such activities through project financing facilities and/or internally generated funds.

The future potential for solar energy is present as Malaysia enjoys a hot, equatorial climate throughout the year, where it receives an average six (6) hours of sunlight a day. With the large number of base stations to be built contributing to heavy energy consumption, leading to a high cost of utility, the renewable solar energy can be beneficial to telecommunications operators in the long run as it reduces the operating expenditure of their infrastructure while reducing their contribution to global warming.

(v) Strengthening our Value Added Services ("VAS") Offering

We always look into various possibilities and opportunities to expand our offerings to enhance the quality of the user experience. Henceforth, we are fortifying our VAS offerings which will be beneficial to both our telecommunications clients as well as end-users of mobile telecommunications services. For telecommunications end-users, we will be offering applications that facilitate the transmission of multimedia (audio and visual) content over telecommunications networks. With the current demand for multimedia content in the telecommunications sector, the solution allows the telecommunications operator to increase revenue with minimum or no cost upfront. To date, the principal has implemented the solution with various customers in Thailand.

We have been in discussion with the principal and have started to market its products outside Thailand to countries such as Malaysia and Vietnam and have actively engaged with the major players in the telecommunications industry. We expect this solution will provide good contribution to our income as we intend to pursue a revenue sharing model for this multimedia-related VAS. Should our marketing efforts be successful, we will be implementing

6. BUSINESS OVERVIEW (Cont'd)

system integration, management and maintenance trials with telecommunications operators which would potentially happen in 2012 whilst commercialisation of VAS is expected to take place in 2014.

Another VAS we intend to market to telecommunications operators are network performance enhancement services. This VAS's objective is to strengthen and optimise telecommunications' signal quality. Operator service quality is crucial for our clients to build a competitive edge over other operators. As the telecommunications market becomes more competitive, quality of signal is an increasing cue to the credibility of an operator's coverage. With the latest VAS offering, we are able to identify and optimise the signal transmissions across various areas of different usage density. We are able to monitor usage at each base station and re-allocate bandwidth to higher-usage areas. We are working with principals from the United States and United Kingdom for this VAS offering and have currently begun marketing its products and services. We foresee system integration, management and maintenance trials with telecommunications operators in Vietnam which would potentially happen in 2012 whilst commercialisation of VAS is expected to take place in 2014.

No major expenses will be made towards commercialisation of VAS as it is expected to be undertaken as joint ventures with relevant application companies.

6.16.2 Prospects

The outlook for the telecommunications network services market in Malaysia remains positive and steady growth is projected throughout the forecast period of 2011 to 2016 as reflected by the forecast market size and growth. The market is projected to grow from its estimated market size of RM5.80 billion in 2011 to RM6.70 billion in 2016 – registering a CAGR of 2.9 percent.

Given the relatively large scaled capital expenditure for new technology such as HSBB, the amount of investment is projected to slightly taper down after the initial large investment. outlay as the telecommunications carriers or operators are expected to spread the costs over a longer period and continue to monitor the level of demand for such services before committing further capital expenditure.

Meanwhile, the ICT industry in general is expected to continue playing an important role in the Malaysian economy by helping to raise the nation's overall productivity and competitiveness. The Malaysian Government expects the industry to contribute 10.2 percent of the nation's GDP by 2015. The expected implementation of strategic ICT related plans under 10th Malaysia Plan such as the formulation of a National Creative Industry Policy and the roll-out of the National Digital Terrestrial Television Broadcasting (DTTB) project as well as the HSBB and Broadband for the General Population (BBGP) under the on-going National Broadband initiatives is anticipated to propel the industry closer to the target. The selection of communications content and infrastructure sector as one of the National Key Economic Areas under the ETP has also boosted the outlook for the local telecommunications network services market. Given that the telecommunications network services market as well as its end-users belongs to the ICT industry, the continued proliferation and expansion projected for the ICT industry is expected to drive demand for telecommunications network services market.

(Source: IMR Report)

Based on the outlook in the telecommunications network services market, our future plans and strategies and our competitive strengths as outlined in Section 6.5 of this Prospectus, our Board is of the view that we are positioned to enjoy growth in the foreseeable future. Whilst we recognise the market challenges in the industry and the risk factors as outlined in Section 4 of this Prospectus, we are committed to our business and our strategies to propel us to continue to prosper in our field.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT

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Protégé
ASSOCIATES

BRAND | FINANCE | MARKET

18 JUN 2012

Board of Directors,
OCK Group Bhd,
11 & 13,
Jalan Puteri 2/6,
Bandar Puteri,
47100 Puchong,
Selangor Darul Ehsan

Dear Sirs,

Executive Summary of the Telecommunications Network Services Market in Malaysia

This Executive Summary of the Telecommunications Network Services Market in Malaysia is prepared by Protégé Associates Sdn. Bhd. ("Protégé Associates") for inclusion in the Prospectus of OCK Group Bhd ("OCK Group" or "the Company") in relation to the proposed listing of and quotation for the entire issued and paid-up share capital of OCK Group on the ACE Market of Bursa Malaysia Securities Berhad.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Cont'd)



Malaysia Economic Overview

After rebounding strongly in 2010, the Malaysian economy grew at a more moderate pace in 2011. Real GDP during the year expanded by 5.1 percent to RM558.3 billion, supported by the strength of domestic economic activity and spending, as well as firm regional export demand attributable to strong domestic demand across emerging Asia's economies. Nevertheless, growth momentum was weighed down by the continued structural weakness and financial volatility in advanced economies, political uprisings in the Middle East, and natural disasters headlined by the Japanese earthquakes during the first half of 2011.

Despite the moderately positive results revealed in most of Malaysia's key economic indicators for 2011, and the continued strength of the domestic economy, the Malaysian Government remains mindful of the high level of uncertainty in the international environment, which can dampen the local economy's growth. Besides that, it has continued to grapple with volatile capital inflows and rising inflationary pressures against the backdrop of large swings in global financial markets and rising food and commodity prices. Nevertheless, the local economy can take heart in the fact that it has continued to remain robust under such volatile global conditions, as evidenced by its resilience during what was a globally challenging year both economically and politically.

Moving into 2012, projects and initiatives launched by the Economic Transformation Programme ("ETP") (initiated 26 October 2010) are expected to begin taking effect. Strong capital inflows encouraged through the ETP, which seeks to propel Malaysia towards becoming a high-income developed nation with a RM1.7 trillion gross national income ("GNI") economy by 2020, are expected to eventuate and now have more visible and pronounced effects on the local economy, and consumer income. Under the ETP, private-sector driven projects with an investment value of RM1.3 trillion are to be undertaken to spearhead Malaysia's economic growth over the next ten years.

In 2012, the Malaysian economy is projected to continue in a vein of steady, moderate growth. Domestic demand is expected to remain in high momentum, and is a likely anchor of growth for the economy. Private investment is expected to increase as a direct result of ETP measures, while the public sector will also remain supportive of economic growth through higher capital expenditure. The economy is expected to remain fairly resilient despite uncertain economic times globally. The Malaysian economy is expected to expand of between 4-5 percent in 2012.

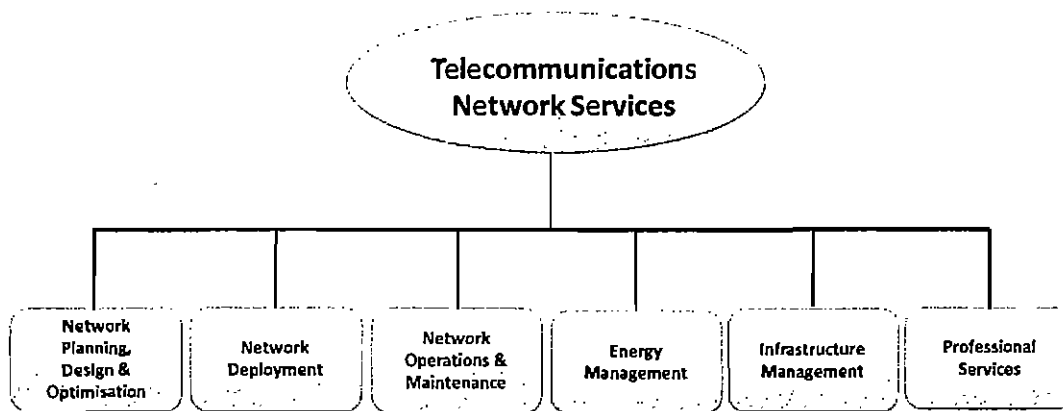
7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



Market Segmentation

Telecommunications network services can be referred as activities of designing, planning, and building, supporting and maintaining as well as enhancing interconnected telecommunications systems. They are essentially divided into six main segments as shown below

Figure 1: The Main Segments of Telecommunications Network Services



Source: Protégé Associates

- 1) Network planning, design and optimisation – Planning, design and optimisation services particularly on network engineering design in the wired and wireless domain for customers. This segment is an important precursor to a desired economical telecommunications network with optimal quality of service (“QoS”)
- 2) Network deployment – roll-out of the earlier planned telecommunications network which can include the likes of active (telecommunications network equipment) and passive (civil, mechanical and electrical) infrastructure.
- 3) Network operations and maintenance – starts once the planned network is successfully deployed in order to ensure its continuity and keep the operational expenses under control.
- 4) Infrastructure management – Continued efforts to optimise network infrastructure for better utilisation of capacities.
- 5) Energy management – planning and improving the level of energy efficiency and optimise energy usage in order to reduce energy costs
- 6) Professional services – project management services, provision of skilled personnel from all the related disciplines to provide specific or end-to-end expertise to the customers, and the provision of other logistics services for project purposes

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Cont'd)

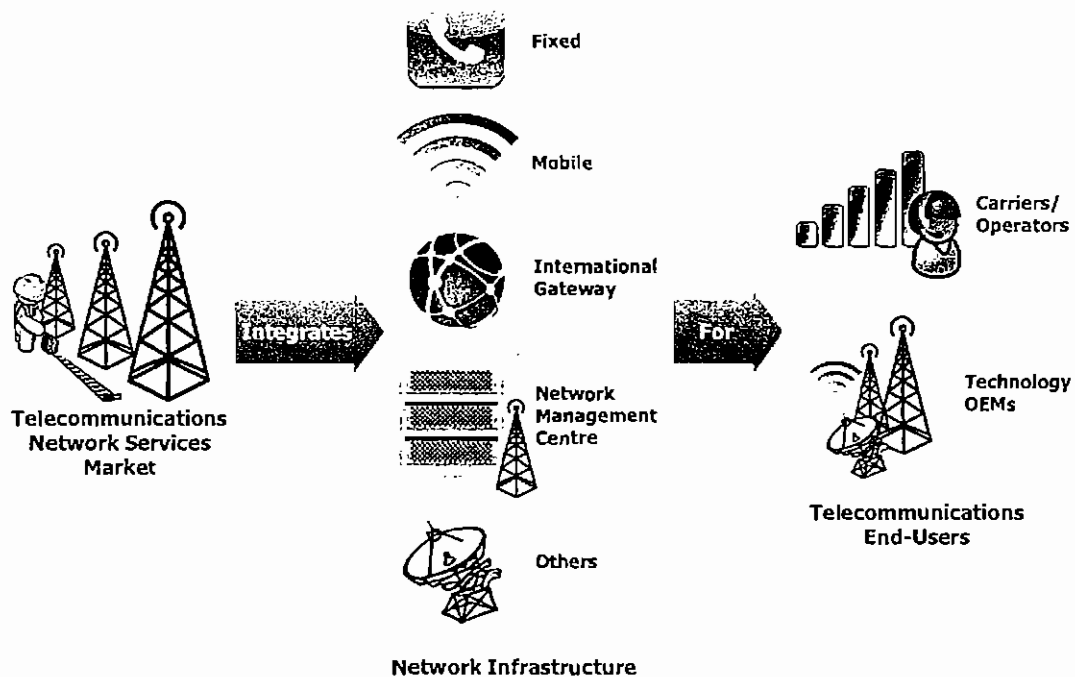


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Telecommunications Network Services & the Telecommunications Industry

The key end-users for telecommunications network services market mainly comprise ICT companies that include telecommunications carriers or operators as well as telecommunications technology original equipment manufacturers ("OEMs").

Figure 2: The End-users of the Telecommunications Network Services Market



Source: Protégé Associates

Telecommunications carriers or operators are the main end-users of the telecommunications network services market in Malaysia. These telecommunications carriers or operators can be operating in all, any one or a combination of the four telecommunications segments namely wired, wireless, satellite and other telecommunications.

The other end-users of the telecommunications network services market are the telecommunications technology OEMs. Telecommunications network services market players generally complement the technology expertise and knowledge of the telecommunications technology OEMs with their wide array of network services to offer a comprehensive telecommunications network solution to customers (carriers and operators).

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Cont'd)



Overview of the Telecommunications Services Market in Asia Pacific

Over the last decade, the Asia Pacific region has seen extensive shifts in the telecommunications network services market, mainly from wired to wireless platforms and from narrowband to broadband services. Due to high population densities and initiatives to catch up on connectivity in rural areas, the region has posed much potential for telecommunications growth, especially in the developing countries such as China, India, and Indonesia. Capital investments on telecommunications reached a high of USD103.25 billion in 2010, showing a remarkable CAGR of 8.1 percent from 2005. Within the region, China reported the highest capital investment on telecommunications, at USD40.04 billion, followed by Japan at USD21.39 billion and India at USD17.88 billion. As connectivity picks up in the region, total telecommunications revenues have also increased at a CAGR of 9.1 percent from 2005 to 2010, growing to a total of USD491.88 billion in 2010.

Since its establishment, wireless telecommunications has been the main driver for rural and urban connectivity, increasing connectivity rates across the region. In 2009, mobile phone lines contributed over 96 percent of Asia Pacific's total connection growth. On a global level, Asia Pacific records the second fastest growth of mobile phone subscriptions, rising by 209.8 percent between 2004 and 2009. In developing markets such as India, Indonesia, Thailand and Vietnam, the demand for connectivity has been growing, especially in the underserved rural areas. As the construction of wireless infrastructure is more cost effective compared to wired fixed line infrastructure, mobile telephone lines have been leading the demand in the developing regions. With high fixed line to mobile substitution rates, the demand for fixed line communication has been on a slight decline throughout Asia Pacific. In areas with high growth potential, mobile services remain highly voice-focused, and voice remains the main revenue generator for service operators. Due to poor infrastructure and unattractive ROI projections, service providers in developing countries have been reluctant to introduce 3G services on a full scale nationwide.

While most countries in developing countries are still operating on 3G technology, service operators in Japan and South Korea have already developed a newer generation, 4G technology based on Long Term Evolution ("LTE") networks, both due to launch commercially by 2015. Following successful roll-out plans for LTE-based 4G networks, 4G subscribers in the Asia Pacific region are expected to amount to 126 million by 2015.

The region had 177 million broadband subscribers in 2009, exhibiting a remarkable CAGR of 22.9 percent from 2004. It is estimated that mobile broadband revenues in developed Asia

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



Pacific nations will reach USD7.1 billion by 2015, with mobile broadband subscriptions rising from 6.2 million in 2009 to 27.2 million in 2015.

In a region where the demand for telecommunications and connectivity is rapidly growing, service operators are facing the challenge of building high-cost infrastructure in rural areas. At the same time, the service providers have to remain competitive in developed markets by constantly upgrading their infrastructure to support value-added mobile broadband services. In a bid to reduce capital expenditures and improve their time-to-market, telecommunications service operators in Asia Pacific have turned towards new business models.

One of the most common models is infrastructure sharing, which is prevalent in India, China and Indonesia. This model enables service operators to moderate both capital and operating expenses, while reducing their time-to-market as the cost of developing new infrastructure is spread across participating operators. Another common model is the asset-light model, where service operators opt to rent telecommunications equipment, instead of purchasing them outright. It is also common for service operators in Asia Pacific to outsource the construction of telecommunications infrastructure. Some of the prominent telecommunications infrastructure technology companies in the region are Ericsson, Nokia Siemens Networks, Huawei and Alcatel-Lucent. Within this model, these technology providers partner with telecommunications network services providers to construct and implement infrastructure. In order to prolong their relationship with service operators, these infrastructure developers are offering managed capacity and managed services operating models. Instead of incurring significant upfront capital expenditure, service operators are charged for the capacity of the network and operations services on a unit of usage basis.

China, Japan and South Korea are poised to propel the Asia Pacific telecommunication sector, with high capital investments in telecommunications, and development of new generation telecommunications gateways. Collectively, the 3 nations spent USD68.00 billion in capital investments for telecommunications investments in 2010. In developing nations where mobile service markets are highly saturated, service operators are differentiating their offerings by investing resources in enhancing mobile broadband services. With high expansion rates for broadband services, data revenue is poised to uphold financial performance for service operators as voice revenue reaches a plateau. With such high development rates in the telecommunications sector, telecommunications infrastructure developers are expected to remain highly involved in both developing and developed markets.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

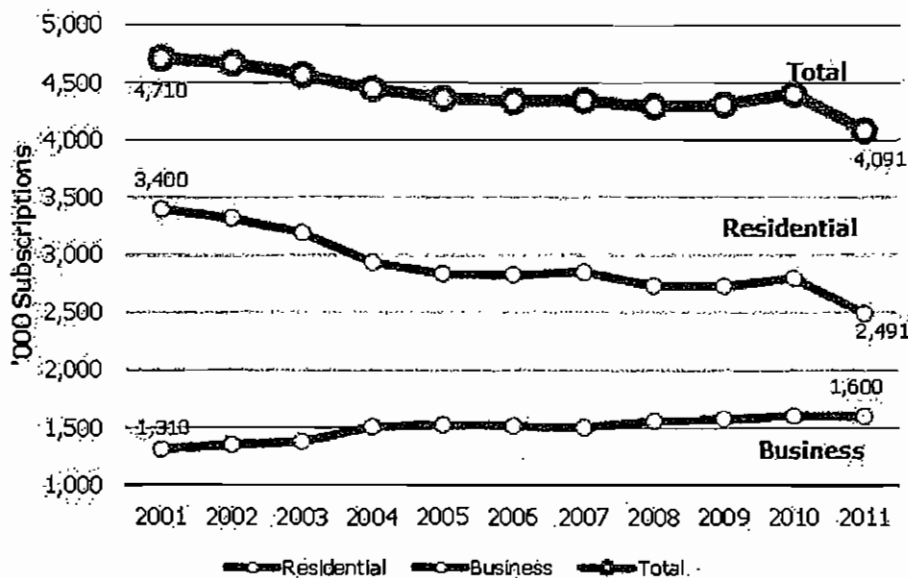


Performance of Selected Telecommunications Markets in Malaysia

The Performance of the DEL Market in Malaysia

The Malaysian Communications and Multimedia Commission ("MCMC") defines DEL as fixed line that connects a customer's equipment to the Public Switched Telephone Network ("PSTN") and has a dedicated port on a telephone exchange.

Figure 3: The Trend in DEL Subscriptions in Malaysia, 2001-2011



Source: MCMC

The performance of the DEL market in Malaysia in 2011 weakened and is expected to continue weakening in the wake of the persistent substitution threat posed by the cellular telephones and broadband internet market. The continuing efforts to bundle the DEL services with the broadband and Internet services may help to spur further growth in this market, although the bundling of VoIP services with broadband internet services may catalyse the drop in DEL service demand especially among residential consumers. Business DEL subscriptions are expected to play a vital role in spearheading any future growth in the market. As the performance of the DEL market suggests, continuous demand for telecommunications network services such as maintenance and upgrading works, as well as rural expansion programs are expected in the near to medium term.

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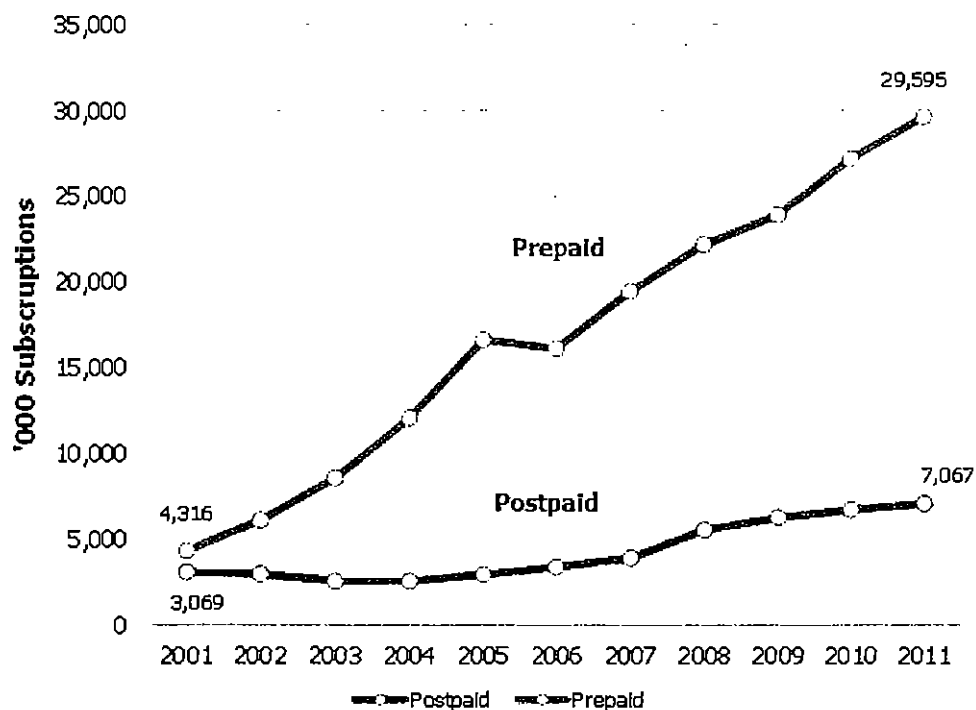
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The Performance of the Cellular Telephones Market in Malaysia

The performance of the cellular telephones market in Malaysia remains promising and is clearly heading in the right direction. The total number of cellular telephone subscriptions already surged to more than 36 million in 2011.

Figure 4: The Growth of Cellular Telephone Subscriptions in Malaysia, 2001-2011



Source: MCMC

The number of cellular telephone subscriptions increased by 9.8 percent year-on-year from 33,859,000 in 2010 to 36,662,000 in 2011. 3G has also been making significant inroads into the Malaysian cellular telephone market. The number of 3G subscriptions in 2010 grew by 17.1 percent to 8,602,000 as compared to 7,347,000 in 2009. All the performance indicators for the cellular telephone market in Malaysia have been positive so far and point to a sustained growth for the market in the near term future. It can also count on the rising demand for 3G to boost its growth and expand the size of its market. The rise in demand for 3G is expected to accordingly generate greater demand for various telecommunications network services as telecommunications carriers or operators spend to boost network coverage.

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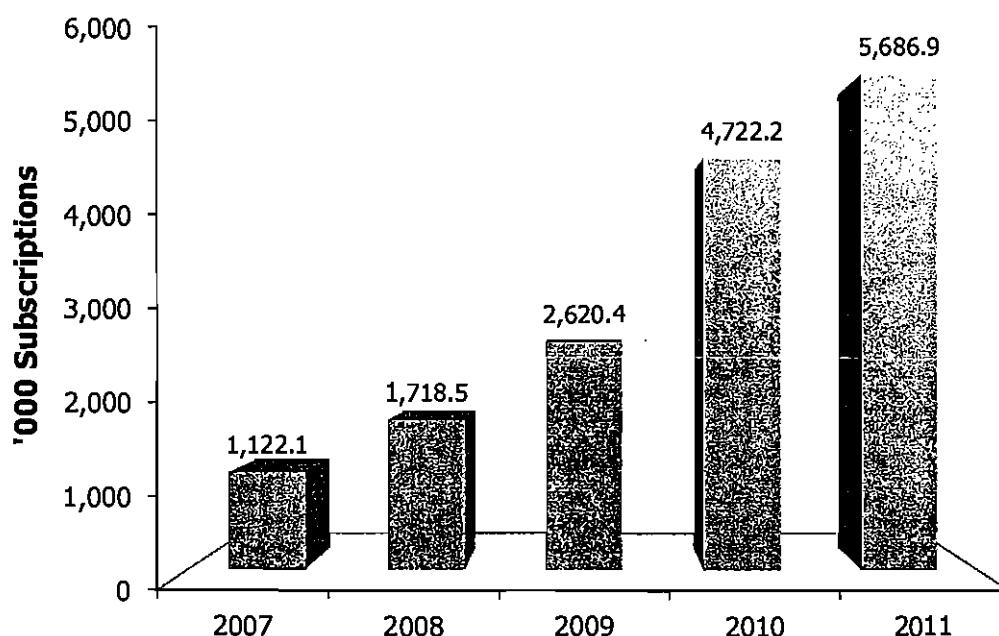
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The Performance of the Broadband and the Internet Market in Malaysia

Recognising broadband as an important value generator for the ICT industry and a key driver towards a k-economy, the Malaysian Government introduced its National Broadband Plan ("NBP") in 2003 to catalyse broadband penetration among all rungs of the Malaysian population. The NBP was set to achieve broadband household penetration rate of 50 percent by 2010. In September 2007, the broadband market in Malaysia reached another milestone when the Malaysian Government announced plans to roll out High-Speed Broadband ("HSBB") across the country covering 2.2 million premises with investments to cost about RM11 billion over a period of 10 years.

Figure 5: The Number of Broadband Subscriptions in Malaysia from 2007 to 2011



Source: MCMC

The impressive performance of the fixed and wireless broadband markets in recent years has fuelled optimism over its future prospect. Total number of broadband subscriptions in Malaysia surged from 755,500 in 2006 to more than 5.6 million in 2011. The broadband market is expected to receive more attention from the Malaysian Government given its role as a key economic enabler after a study by World Bank has shown that GDP growth can be increased by more than one percent with a 10 percent increase in household broadband

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penetration. This focus is expected to boost demand for telecommunications network services for this highly-critical telecommunications segment.

Historical Market Performance and Growth Forecast

The performance of the local telecommunications network services market is positively correlated with the level of new investment involving capital expenditure and other network services related operating expenses such as maintenance and repair works by the local telecommunications carriers or operators in Malaysia. Higher level of investment as well as other network services related expenses are expected to translate into higher market size for the local telecommunications network services market

Figure 6: The Estimated and Forecast Market Size of Malaysia’s Telecommunications Network Services Market, 2010-2016

| Year | Market Size (RM billion) | Annual Growth (%) |
|------|--------------------------|-------------------|
| 2010 | 5.53 | - |
| 2011 | 5.80 | 4.9 |
| 2012 | 5.97 | 2.9 |
| 2013 | 6.15 | 3.0 |
| 2014 | 6.33 | 2.9 |
| 2015 | 6.51 | 2.8 |
| 2016 | 6.70 | 2.9 |

CAGR (2011 – 2016) = 2.9 percent

Note:

- 1) All figures are rounded; the base year is 2011.
- 2) The above figures include the costs for the required telecommunications network infrastructure, hardware and equipment

Source: Protégé Associates

The market size of Malaysia’s telecommunications network services market in 2011 is estimated at RM5.80 billion. The market size of the local telecommunications network services market is projected to grow by 2.9 percent year-on-year in 2012. Overall, the CAGR during the 2011-2016 period for the investment in the Malaysian telecommunications sub-sector is projected to be 2.9 percent.

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Competitive Analysis

The number of telecommunications network services market players in Malaysia is relatively small with an estimated of less than 200 market players (with majority of their revenues coming from this market) that are based here. Of these, it is estimated that 10 percent can be classified as Tier-1 market players, while the remaining market players can be categorised in Tier-2. Given the large industry size, wide service scope, rapid telecommunications demand growth, wide geographical service area, and asset-heavy business of telecommunications network service provision, there is a potential for many market players to operate within various niches and segments of the Malaysian telecommunications network services market. However, the relatively low level of fragmentation in the local telecommunications network services market at present is understandable given relatively high barriers to entry particularly with regards to relatively high technical competency and capital requirement.

Telecommunications infrastructure, hardware and equipment expenditure accounts for a large proportion of infrastructure capital expenditure by telecommunications operators on an annual basis. Examples of major global suppliers of telecommunications network infrastructure, hardware and equipment include Ericsson, Huawei, Motorola, Nokia Siemens Networks and ZTE. Protégé Associates’ best estimate is that hardware and equipment expenditure is likely to account for around 65 to 75 percent of total market size, with much of the required products imported from overseas. The global revenue of selected major global suppliers of network infrastructure hardware and equipment is depicted below.

Figure 7: The Revenue of Selected Major Global Suppliers of Telecommunications Network Infrastructure, Hardware and Equipment

| Major Global Supplier | Financial Year Ended | Revenue |
|------------------------------|----------------------|-------------------|
| Huawei Technologies Co., Ltd | 31 December 2010 | CNY185.18 billion |
| ZTE Corporation | 31 December 2010 | CNY70.26 billion |
| Ericsson | 31 December 2010 | SEK203.35 billion |
| Motorola Solutions, Inc. | 31 December 2010 | USD7.87 billion |

Note:

CNY denotes Chinese Yuan

SEK denotes Swedish Krona

USD denotes United States Dollar

Revenue breakdown of each supplier for the Malaysian market, specific to the telecommunications segment was not possible based on publicly available financial records

Source: Company Annual Reports

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Telecommunications network services market players operate in one or more than one segments of the telecommunications network services. As such, they may not offer the types of services that are completely similar with each other. The number of segments that they may participate in is subject to various factors such as technical competency, capital, manpower resources and project size. Besides, each telecommunications network services market player in Malaysia may operate their business in certain areas only and hence has different geographical presence than others. Protégé Associates estimates that 25 to 35 percent of the total estimated market size of RM5.80 billion in 2011 can be attributed to telecommunications network service providers involved in the areas of network planning, design and optimisation, network deployment, network operations and maintenance, infrastructure management, energy management and professional services

The market players in the local telecommunications network services market contribute to this portion of the market size for the telecommunications network services market in Malaysia. They can be divided into two groups namely Tier-1 and Tier-2 market players based on the size of their revenue.

1) Tier-1 market players

Tier-1 market players consist of market players with an annual revenue of at least RM25 million. The market players that belong to this group are typically well capitalised with technology knowledge and technical competency that are higher than their other counterparts. They are likely to have strategic alliances or partnership with their principal suppliers. The services offered by Tier-1 market players are also generally more extensive than their other counterparts, usually comprehensively offering the whole spectrum of telecommunications network services from network planning to infrastructure management. Examples of Tier-1 market player are OCK Group Berhad and its subsidiaries ("OCK Group"), Instacom Engineering Sdn Bhd ("Instacom"), and R&A Telecommunication Sdn Bhd ("R&A").

Other notable Tier-1 players based on their current extensive portfolio of telecommunication network services may include Common Tower Technologies Sdn Bhd, Elabram Systems Sdn Bhd, Fiberail Sdn Bhd, Pernec Corporation Bhd, Sacofa Sdn Bhd, Sediabena Sdn Bhd, Silver Ridge Holdings Bhd and Weida (M) Bhd. However, these companies' total revenue includes revenues derived from the provision of other goods and services outside of telecommunications network services, thus the accurate

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breakdown of revenues attributable to telecommunication network services is not possible.

2) Tier-2 market players

Tier-2 market players consist of market players with an annual revenue of less than RM25 million. As compared to Tier-1 market players, Tier-2 market players are relatively less capitalised and face a tough challenge in gaining recognition from telecommunications carriers or operators. They are likely to focus on a smaller range of services such as network deployment, network maintenance or infrastructure management according to their core expertise. They include GTL Network Services Malaysia Sdn Bhd, Next Horizon Communication Sdn Bhd, Ostel Sdn Bhd and Telestructure Sdn Bhd, Medan Armada Sdn Bhd, and Bina Sat Sdn Bhd.

Comparison between OCK Group and Selected Market Players

OCK Group was incorporated on 14 October 2000 under the Companies Act 1965 as a telecommunications network service provider. It is involved in telecom equipment implementation, managed services and field maintenance, resource and manpower and material sourcing, mechanical and electrical as well as full turnkey deployment. OCK Group provides telecommunications network services at both East and West Malaysia. The full turnkey solutions for telecommunications clientele, encompasses network planning, deployment and management works. OCK Group can be engaged for individual services or for full turnkey deployment solutions.

OCK Group also offers post-deployment, where managed services are available for operating and maintaining telecommunication infrastructure. Its technical teams are familiar with all current and upcoming telecommunications technologies and networks including fixed line networks, cellular telecommunications, wired and wireless broadband modes. Currently, it focuses on services for cellular telecommunications networks in line with current market demand. In this respect, OCK Group has completed implementation works for major cellular network operators including Maxis, Celcom DiGi and U-Mobile.

For its financial year ended 31 December 2011, OCK Group registered revenue of RM88.3 million. As OCK Group is considered a Tier-1 market player, Protégé Associates has selected two of its peers namely Instacom and R&A for comparison purposes.

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- Instacom

Instacom was incorporated on 8 May 2001 under the Companies Act 1965 as a telecommunications engineering and services provider. The company has a strong foothold in providing telecommunications network services to the telecommunications carriers or operators in East Malaysia.

- R&A

R&A was incorporated in 1993 under the Companies Act 1965 as a site infrastructure engineering company. It has since grown into a full-fledged solutions provider for the telecommunications industry. It currently provides network planning, optimisation, building and installation works, as well as related civil, mechanical and electrical engineering works.

Figure 8: Comparisons between OCK Group and Selected Market Players

| Indicator | OCK Group | Instacom | R&A |
|------------------------------|---------------------------|-------------|-------------|
| Type of Market Player | Tier-1 | Tier-1 | Tier-1 |
| Financial Year Ended | 31 Dec 2011 | 31 Dec 2010 | 31 Dec 2011 |
| Revenue (RM) | 88,325,000 | 47,402,310 | 42,042,011 |
| Market Share (%) | 1.5 | 0.9 | 0.7 |
| Gross Profit (RM) | 22,413,000 | 7,860,161 | 20,518,821 |
| Gross Profit Margin (%) | 25.4 | 16.6 | 48.8 |
| Profit before Tax (RM) | 12,330,000 | 4,310,764 | 11,220,807 |
| Profit before Tax Margin (%) | 14.0 | 9.1 | 26.7 |
| Profit after Tax (RM) | 9,200,000 | 3,473,806 | 8,016,167 |
| Profit after Tax Margin (%) | 10.4 | 7.3 | 19.1 |
| Current Assets (RM) | 51,055,000 ^(c) | 122,083,426 | 57,295,421 |
| Current Liabilities (RM) | 9,200,000 ^(c) | 82,017,253 | 31,490,485 |
| Current Ratio (Times) | 1.32 ^(c) | 1.49 | 1.82 |

Note: The above figures only provide an indication and are not considered directly comparable due to the following reasons:

(a) The financial figures may be at group level that includes other business segments' contributions.

(b) Product/ service offering of selected market players are not identical

(c) Financial information represents latest publicly available information as at 31 May 2012

Source: Companies Commission of Malaysia and Protégé Associates

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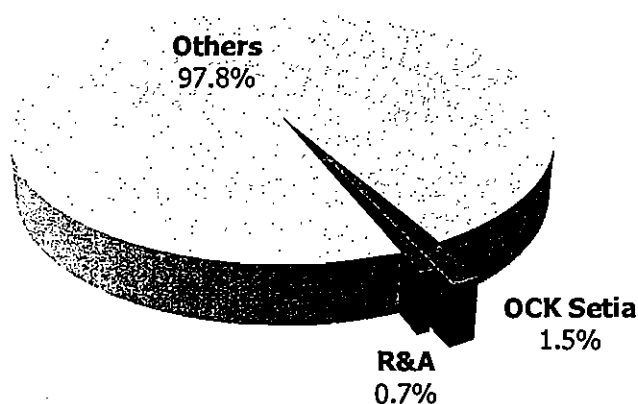


Based on revenue generated by OCK Group for its financial year ended 31 December 2011 of RM88.3 million, and the telecommunications network services market estimated at RM5.80 billion in 2011, OCK Group's estimated market share stood at 1.5 percent.

Of the RM5.80 billion, Protégé Associates estimates that approximately 65-75 percent is attributable to revenue from telecommunications infrastructure, hardware and network equipment. The remaining approximate of 25-35 percent accounts for telecommunications network services such as network planning, design and optimisation, network deployment, network operations and maintenance, infrastructure management, energy management and professional services. OCK Group's revenue contributes mainly to this portion of the market.

However, as Protégé Associates is unable to accurately breakdown the value of these two segments, OCK Group's estimated market share is therefore calculated based on the total market sizing.

Figure 9: OCK Group's Market Share of the Malaysian Telecommunications Network Services Market, 2011



Note:

Other market players constituting the rest of the market's share include:

- 1) *Major global suppliers of telecommunications network infrastructure, hardware and equipment who participate in the Malaysian market including those disclosed in Figure 7.*
- 2) *Market ranking and accurate statement of market share for other telecommunications network services providers within the diagram was not possible due to:*
 - a. *Differing financial year-end among companies*
 - b. *Absence of publicly available segmental information; publicly available numbers for these other companies may reflect sizable contributions from non-related business activities.*

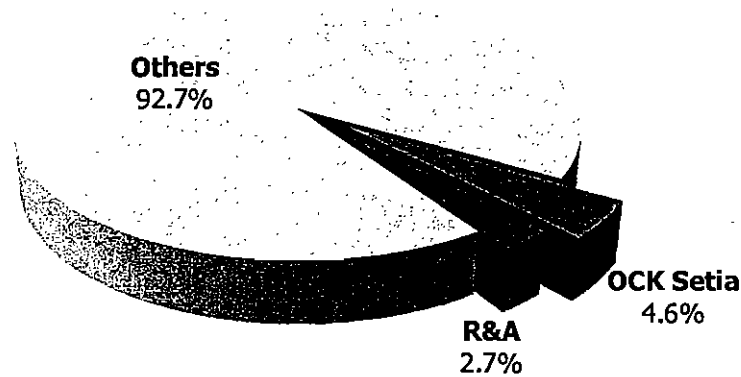
Source: Protégé Associates

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Figure 10: OCK Group's Market Share within the Services Portion of the Malaysian Telecommunications Network Services Market, 2011



Note:

- 1) Based on estimate that services portion constitutes 25 percent of the telecommunications network services market. Size of services portion estimated to value at RM1.45 billion in 2011
- 2) Market share of market players based on group revenue

Source: Protégé Associates

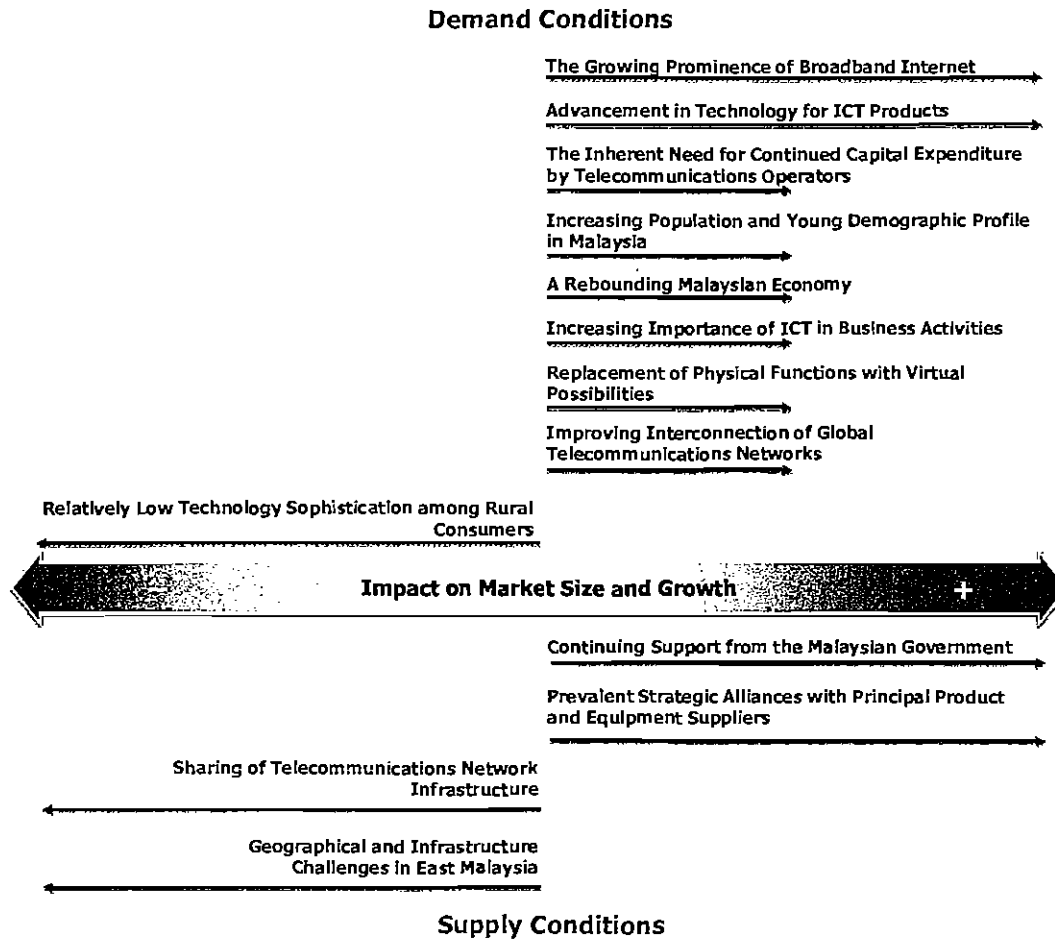
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Demand and Supply Conditions

Figure 11: Demand and Supply Conditions Affecting Malaysia's Telecommunications Network Services Market, 2012



Source: Protégé Associates

Demand Conditions

- **The Growing Prominence of Broadband Internet** – The broadband penetration in Malaysia is expected to continue its strong growth momentum in the near future. The MOICC and MCMC have a healthy growth forecast on the future household penetration rate in Malaysia. The household broadband penetration rate in Malaysia is projected to reach 75.0 percent in 2015. The growing prominence of the broadband market in Malaysia bodes well for the growth in the local telecommunications network services market as operators need to constantly maintain and upgrade networks to provide services of acceptable quality to customers.

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- **Advancement in Technology for ICT Products** – The advancement in technology has allowed the ICT industry to improve its product offerings or create new products with visible commercial appeal which can lead to more demand. It helps to create and drive technology trends for ICT products that can be assimilated with the latest consumers' needs. Any growth in the usage of ICT products can also increase the propensity to utilise telecommunications services. ICT products provide the means for consumers to access telecommunications services. Advancement in technology for ICT products also hasten the replacement cycle for telecommunications network to conform with the latest technological standards – necessitating the needs for the presence of telecommunications network service market players to upgrade or replace old telecommunications networks.
- **The Inherent Need for Continued Capital Expenditure by Telecommunications Operators** – Capital expenditure is an important business cost component to the telecommunications carriers and operators in order for them to sustain their existing business and support future growth. Part of the capital expenditure by the telecommunications carriers or operators involves undertaking the necessary telecommunications network services. For existing infrastructure, telecommunications network services are required to continue providing the necessary support and maintenance. As the ICT industry is often characterised by a rapid change in technology, the telecommunications carriers and operators are also likely to constantly upgrade their network infrastructure and hardware or install newer ones with the latest technology. The continued upgrade of mobile data networks from 3G to 4G LTE networks is expected to bring the next wave of telecommunications infrastructure and equipment investments especially in the short to medium term future.
- **Increasing Population and Young Demographic Profile in Malaysia** – Malaysia's population has continued to be on an upward trend, growing to 27,565,821 people in 2010 from 13,745,241 people in 1980. A growing population represents an enlarge pool of potential demand for telecommunications related services. Besides that, Malaysia also has a young demographic profile, with a higher affinity to telecommunications technology. This development is expected to lead to higher capital expenditure among the telecommunications carriers or operators for their existing network build-up to cope with the potential increase in demand for their services – indirectly driving the local telecommunications network services market.
- **A Rebounding Malaysian Economy** - According to BNM, the Malaysian real GDP at 2000 prices is expected to grow between 4.0 to 5.0 percent in 2012. A rebounding

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Malaysian economy helps to boost consumer sentiment and fuel the usage of the services offered by the end-user markets for telecommunications network services. Further growth in the economy beyond 2012 is expected to positively affect the market for telecommunications network services as well.

- **Increasing Importance of ICT in Business Activities** – ICT such as the Internet is becoming more commonly applied to everyday business activities. As business Internet users increase in sophistication, more bandwidth and Internet connections with greater speeds will become a necessity. As a result, existing telecommunications networks need to be upgraded or new telecommunications networks need to be installed. This development bodes well for the overall growth in the local telecommunications network services market.
- **Replacement of Physical Functions with Virtual Possibilities** - The Internet Age has allowed the virtualisation of many physical functions including payments, shopping, accessing services, and learning. The proliferation of these advanced virtual functions creates a need for fast, reliable Internet connections. As such, capital expenditure on telecommunications network services is expected to remain relevant in the near future.
- **Improving Interconnection of Global Telecommunications Networks** – The thirst for data by Malaysian consumers has never been stronger judging from the rapid growth registered in broadband subscriptions in recent years. As such, it is not surprising that telecommunications operators or carriers seem to be keener than ever in developing and improving the speed and capacity of data transmission particularly with regards to the development and improvement in the interconnection of telecommunications networks between countries.
- **Relatively Low Technology Sophistication among Rural Consumers** – The relatively low technology sophistication among rural consumers in Malaysia can hinder the progress of the broadband penetration from growing at an optimal level. The lack of sophistication among Malaysian rural consumers, and the unwillingness to migrate may inhibit the growth of telecommunications services in the short term, thus affecting the telecommunications network services market negatively as well.

Supply Conditions

- **Continuing Support from the Malaysian Government** - The Malaysian Government has been providing the necessary leadership in spearheading the growth in the local ICT industry which includes the local telecommunications network services market via

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supportive government policies and strong institutional support. As one of the participants of the local ICT industry, the local telecommunications network services market players can also expect to reap the benefits from the continuous support given by the Malaysian Government.

- **Prevalent Strategic Alliances with Principal Product and Equipment Suppliers –**
The telecommunications network services market players tend to enter into strategic alliances or partnerships with their respective principal suppliers of products and equipment. Such co-operations allow both parties to share resources and tap into each other's technological expertise and knowledge to offer a more comprehensive network solution for potential customers. This development bodes well for the future growth in the local telecommunications network services market.
- **Sharing of Telecommunications Network Infrastructure -** Several different elements of telecommunications network infrastructure can be shared by telecommunications carriers or operators. Telecommunications carriers or operators in Malaysia have relied on a common core network to varying degrees for the provision of mobile, fixed line and international gateway services. The sharing of telecommunications network infrastructure makes business sense as such a move leads to lower roll-out costs and lower multiple infrastructure. However, as more telecommunications network infrastructures are shared, the pools of potential demand for telecommunications network services may reduce accordingly, although opportunities related to site consolidation, cross-operator integration will surface.
- **Geographical and Infrastructure Challenges in East Malaysia -** The geography of East Malaysia has been one of the major factors hindering the supply of telecommunications network services. The region is still populated by a large tract of forests and jungles. Nevertheless, the condition is expected to be improved in the near future as 'improving rural basic infrastructure' has been earmarked as one of National Key Result Areas ("NKRAs") under the Government Transformation Programme ("GTP").

Markets' Reliance on and Vulnerability to Imports

Most of the network equipment are highly specialised in nature and cannot be sourced locally. As a result, these network equipment need to be imported. International network equipment manufacturers such as Ericsson, Huawei, Motorola, Siemens A.G., ZTE and their respective Malaysian affiliates are examples of the principal supplier for the required network

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equipment. Hence, the equipment and consumables used cost component is considered to be vulnerable to imports.

As for related skilled personnel, they can be sourced locally. These skilled personnel are likely to undergo extensive trainings offered by their principal suppliers to handle the imported network equipment. However, the pool of local highly skilled and experienced personnel is relatively small and they typically command higher wages – making it challenging for market players to hire them or fend-off interest from their competitors.

Substitute Products or Services

There are no known direct substitutes for telecommunications network services yet. However, telecommunications network services with older technologies are typically replaced with newer innovations as the market is often characterised by rapid advances in technology. The techniques and implementation methods used by telecommunications network service providers will adapt to these technological changes from time to time. The existing hardware used in telecommunications networks may also be replaced with newer hardware.

Relevant Laws and Regulations Governing the Markets

- **Malaysian Communications and Multimedia Commission (“MCMC”)** – MCMC was established to regulate the converging communications and multimedia industry in Malaysia by regulating the communications and multimedia industry based on powers provided for in the Malaysian Communications and Multimedia Act 1998 and the Communications and Multimedia Act 1998. Following these Acts, the role of MCMC is to implement and promote the Government’s national policy objectives for the communications and multimedia industry.
- **Communications and Multimedia Act 1998 (“CMA 1998”)** – The CMA 1998 establishes a framework to promote stronger technical regulation by facilitating the technical interoperability of networks. It also encourages efficient allocation of resources as well as promoting the safety, security and integrity of network services and application services. Activities regulated by under the purview of CMA 1998 include traditional broadcasting, telecommunications and online services including facilities and networks employed in providing such services, and content supplied through facilities and networks.
- **Approval from SIRIM QAS International Sdn Bhd** - SIRIM QAS International Sdn Bhd (“SIRIM QAS International”) has been appointed as a certifying agency by MCMC to

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carry out the certification program for all communications and multimedia equipment. Hence, a local telecommunications network services market player that intend to imports telecommunications products into Malaysia need to apply to SIRIM for product certification approval. If the imported telecommunications products are for sale in Malaysia, they also required to apply for SIRIM-certified labels.

- **Registration as Contractor** – Telecommunications network services market players need to register as a contractor with the Construction Industry Development Board (“CIDB”) Malaysia to undertake construction activities particularly under the mechanical and electrical category.

Figure 12: Examples of Contractor Registration Categories and Specialisation

| Category | Specialisation | Description |
|-------------------------------------|--|--|
| Civil Engineering Construction (CE) | CE21 General Civil Engineering Works | General civil engineering works, including earthworks, subsoil drainage, etc. |
| Mechanical and Electrical (ME) | E03 Building Automation System and Energy Generation System | Building automation, industrial and process control systems. Includes installation and maintenance of microprocessors or computer based building control systems and industrial process control systems. Includes installation and maintenance of energy generation systems. |
| | E04 Low Voltage Installation | General wiring and control system wiring works not exceeding 1 kilovolts (“KV”). Installation and maintenance of low tension overhead lines and underground cabling not exceeding 1KV. Includes installation and maintenance of generating plant and equipment not exceeding 1KV. |
| | E05 High Voltage Installation | Installation and maintenance of high voltage equipment and underground cabling, high-tension overhead line including transmission tower exceeding 1KV. Includes installation and maintenance of generating plant and equipment exceeding 1KV. Neon lights. |
| | E07 Telecommunication Installation | Telephone cabling and internal ducting, radio based communication system, Private Automated Branch Exchange (“PABX”), microwave system, multiplex and signalling, tropo-scatter system, satellite system, radar surveillance system, data communication equipment, remote subscriber system, vessels and navigational specialised system, etc. |
| | E08 External | Telecommunication cabling (underground/ overhead), manholes, underground ducting/ pipes. |

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| Category | Specialisation | Description |
|----------|---|---|
| | Telecommunication Works | |
| | E09 Miscellaneous Specialised | Installation, commissioning and maintenance of surgical/ operating theatre table and lights, radiography equipment, radiotherapy equipment, nurse call system, electronic scorecard, uninterruptible power supply ("UPS") system, etc. |
| | M15 Miscellaneous Mechanical Equipment | Installation, testing commissioning, maintenance and repair of mechanical based systems such as pumping installation, sewerage treatment plant installation, water treatment plant installation, rotary pumps, reciprocating pumps, centrifugal pumps and special purpose pumps, etc. |

Source: CIDB

There are different Contractor Grades with different tendering capacity.

Figure 13: Registration Requirements and Procedures

| Grade | Tendering Capacity (RM) | Paid Up Capital* // Net Capital Worth** (RM) | Minimum Personnel Resources Requirement# |
|-------|--------------------------|--|---|
| G7 | No limit | 750,000.00 | Group A and 1 Group B (both minimum 5 years' experience) or 2 Group A (one of whom must have minimum 5 years' experience) |
| G6 | Not exceeding 10 million | 500,000.00 | Group A and 1 Group B (one of whom must have minimum 3 years' experience) |
| G5 | Not exceeding 5 million | 250,000.00 | 1 Group A or 1 Group B (minimum 5 years' experience) |
| G4 | Not exceeding 3 million | 150,000.00 | 1 Group B |
| G3 | Not exceeding 1 million | 50,000.00 | Course Certificate/ experience |
| G2 | Not exceeding 500,000.00 | 25,000.00 | Course Certificate/ experience |
| G1 | Not exceeding 100,000.00 | 5,000.00 | Course Certificate/ experience |

Note:

* Paid Up Capital (for Private Limited Company/ Public Company)

** Net Capital Worth (for sole proprietorship/ partnership) in the form of current account bank statement (average balance considered)/ balance from savings account/ overdraft facilities/ uncharged fixed deposit statement/ Amanah Saham Bumiputera ("ASB")/ Amanah Saham Nasional ("ASN") shares

Group A – Degree holder in construction related fields

Group B – Diploma holder in construction related fields or other degree holder with experience in construction works

Source: CIDB

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- **Network Facility Provider (“NFP”) Licenses** – NFP licenses govern the ownership and operations of telecommunications facilities. NFP licensees are allowed to build, own and operate satellite stations, broadband fibre optic networks, telecommunications towers and other infrastructure. Typical NFP licensees include radio and television broadcasters, cellular network operators, as well as broadband ISPs. Nevertheless, there is an increasing inclination by the MCMC to award NFP licences to parties other than telecommunications operators and media broadcasters, thus encouraging infrastructure ownership among third parties including telecommunications network service providers.

This is in line with regional trends in telecommunications services, where operators are increasingly consolidating infrastructure costs through infrastructure sharing and renting from third-party owners. Within Malaysia, the award of NFP licences to non-traditional licensees opens up opportunities for telecommunications network service providers to gradually shift towards a business model of telecommunications infrastructure ownership, receiving rental revenue from operators interested in increasing network reach without directly incurring heavy infrastructure development costs.

- **Quality and Safety Standards** – Compliance to national and international standards seems to be gaining prominence among market players in the local telecommunications network services market. Besides meeting the requisite regulatory requirements set by the Malaysian Government, compliance can also go a long way towards boosting the confidence of potential end-user markets. It reinforces the market players’ commitment in providing acceptable quality services and products to their end-users. In addition, compliance with international standards is vital for penetration into the international market.

Other Trends

- **Rapid Technological Changes** – The telecommunications network services market is still subjected to rapid technological changes driven by evolving industry standards and changing market trends particularly on its customers’ changing needs. Market players in the local telecommunications network services market typically strive to be at the forefront of competition in terms of obtaining new technology-based products from new or existing suppliers and knowing the latest market trends and demands in advance to cater for their customers’ changing needs. Any inability to do so can lead to their products and technical know-how being rendered obsolete.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



- Relatively High Barriers to Entry** – In order to participate in the market, potential entrants need to clear regulatory hurdles such as successfully registering as a contractor with the CIDB Malaysia to undertake construction activities. The telecommunications network services market is considered specialised in nature and is characterised by rapid change in technology. Hence, potential entrants need to possess sufficient related technical expertise and updated technology to participate in this market. They also need to have a pool of relatively high skilled and experienced personnel. Potential entrants also need to come out with relatively high capital lay-out to invest in software, equipment and machineries, storage facilities, labour as well as the upfront procurements for project related items.
- High Concentration Risk for Demand** – Telecommunications network services market player generally depend heavily on the local ICT industry as the majority of their revenues are derived from there. In other words, the local telecommunications network services market is highly positively correlated with the local ICT industry. Any growth in the local ICT industry is likely to bring positive spill over impacts to the growth in the local telecommunications network services market. However, telecommunications network services market players are equally vulnerable to any downturns in the local ICT industry and do not have many options of diversifying away their existing offering to other industries.

Prospect and Outlook of Malaysia's Telecommunications Network Services Market

The outlook for the telecommunications network services market in Malaysia remains positive and steady growth is projected throughout the forecast period of 2012 to 2016 as reflected in its forecast market size and growth. The market is projected to grow from its estimated market size of RM5.80 billion in 2011 to RM6.70 billion in 2016 – registering a CAGR of 2.9 percent.

Given the relatively large scale nature of capital expenditure for new technology such as HSBB, the amount of investment is projected to slightly taper down after the initial large investment outlay as the telecommunications carriers or operators are expected to spread the costs over a longer period and continue to monitor the level of demand for such services before committing further capital expenditure.

Meanwhile, the ICT industry in general is expected to continue playing an important role in the Malaysian economy by helping to raise the nation's overall productivity and competitiveness. The Malaysian Government expects the industry to contribute 10.2 percent

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Cont'd)



of the nation's GDP by 2015. The expected implementation of strategic ICT related plans under 10MP such as the formulation of a National Creative Industry Policy and the roll-out of the National DTTB project as well as the HSBB and BBGP under the on-going National Broadband initiatives is anticipated to propel the industry closer to the target. The selection of communications content and infrastructure sector as one of the NKEAs under the ETP has also boosted the outlook for the local telecommunications network services market. Given that the telecommunications network services market as well as its end-users belongs to the ICT industry, the continued proliferation and expansion projected for the ICT industry is expected to drive demand for telecommunications network services market.

Within the ICT industry, steady demand for telecommunications network services such as maintenance and upgrading works, as well as rural expansion programs are expected from the DEL market in the near to medium term. Meanwhile, for the cellular telephone market, the rise in demand for 3G services (and future mobile data services) is expected to generate greater demand for various telecommunications network services as telecommunications carriers or operators spend to boost network coverage. In addition, the continued capital expenditure for telecommunications network build-up for broadband is expected to be a key growth catalyst as well.

Moving forward, the telecommunications network services market in Malaysia is expected to continue benefiting from various factors driving demand for such services including the growing prominence of the broadband market in Malaysia, advancement in technology for ICT products, inherent needs for capital expenditure by telecommunications carriers or operators to sustain or grow their businesses, increasing population and young demographic profile in Malaysia, a rebounding Malaysian economy, increasing importance of ICT in business activities, replacement of physical functions with virtual possibilities as well as development and improvement in the interconnection of telecommunications networks between countries.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT
(Cont'd)



Protégé Associates has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours Sincerely,

SEOW CHEOW SENG

Managing Director

Protégé Associates Sdn Bhd

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

8.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

8.1.1 Shareholdings

The shareholdings of our Promoters and/or substantial shareholders in our Company before and after our Public Issue are as follows:

| Name | Designation | Country of Incorporation / Nationality | ----- Before the Public Issue ----- | | ----- After the Public Issue ----- | |
|--|--------------------|--|-------------------------------------|-----------------------|------------------------------------|--------------------|
| | | | <----- Direct -----> | <----- Indirect-----> | <----- Direct -----> | <----- Indirect--> |
| | | | No. of Shares held | % held | No. of Shares held | % held |
| <u>Promoters and substantial shareholder</u> | | | | | | |
| Aliran Armada | - | Malaysia | 165,600,000 | 90.00 | 165,600,000 | 63.94 |
| Abdul Halim Bin Abdul Hamid | Deputy Chairman | Malaysian | - | - | 165,600,000 [^] | 90.00 |
| Ooi Chin Khoon | Managing Director | Malaysian | - | - | 165,600,000 [^] | 90.00 |
| Low Hock Keong | Executive Director | Malaysian | 7,360,000 | 4.00 | 7,360,000 | 2.84 |
| Chang Tan Chin | Executive Director | Malaysian | 5,520,000 | 3.00 | 5,520,000 | 2.13 |
| Chong Wai Yew | Executive Director | Malaysian | 5,520,000 | 3.00 | 5,520,000 | 2.13 |

Note:

[^] Deemed interest by virtue of his substantial shareholding in Aliran Armada pursuant to Section 6A of the Act.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

8.1.2 Profile of Promoters and Substantial Shareholders

Aliran Armada

Promoter and substantial shareholder

Aliran Armada was incorporated in Malaysia under the Act on 7 July 2011. As at the LPD, its authorised share capital is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each, of which 1,800,000 ordinary shares of RM1.00 have been issued and fully-paid up.

The principal activity of Aliran Armada is in investment holding.

The Directors and substantial shareholders of Aliran Armada and their respective shareholdings in Aliran Armada as at the LPD are as follows:

| Name | Direct | | Indirect | |
|---|--------------------|--------|--------------------|--------|
| | No. of shares held | % held | No. of shares held | % held |
| Directors and substantial shareholders | | | | |
| Abdul Halim Bin Abdul Hamid | 1,199,999 | 66.67 | - | - |
| Ooi Chin Khoo | 599,999 | 33.33 | - | - |

Note:

The remaining two (2) shares in Aliran Armada are held by Koh Sui Poh and Ng Hock Tiam.

Abdul Halim Bin Abdul Hamid, Malaysian, aged 45
Promoter, Deputy Chairman and Substantial Shareholder

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

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

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

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

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

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Ooi Chin Khoon, Malaysian aged 44
Promoter, Managing Director and Substantial Shareholder

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

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

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

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

Low Hock Keong, Malaysian, aged 41
Promoter, Executive Director and General Manager

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

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

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

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

Chang Tan Chin, Malaysian, aged 44
Promoter, Executive Director and Technical Director

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

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

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

Chong Wai Yew, Malaysian, aged 42
Promoter, Executive Director and Project Management Director

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

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

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

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.1.3 Changes in Promoters and/or Substantial Shareholders' Shareholdings since Incorporation

Save as disclosed below, there has been no change in the shareholdings of our Promoters and/or substantial shareholders in our Company since incorporation up to the date of this Prospectus:

| Name | Date of Acquisition/ Disposal | Direct | | Indirect | |
|---|-------------------------------|-----------------------------------|--------------------------|-----------------------------------|--------------------------|
| | | No. of Shares Acquired/ (Disposd) | Cumulative No. of Shares | No. of Shares Acquired/ (Disposd) | Cumulative No. of Shares |
| Promoters and substantial shareholders | | | | | |
| Wee Chek Aik* | 05.08.2011 | 10 | 10 | - | - |
| | 09.06.2012 | (10) | - | - | - |
| Chow Kim Meng* | 05.08.2011 | 10 | 10 | - | - |
| | 09.06.2012 | (10) | - | - | - |
| Aliran Armada | 08.06.2012 | 165,599,980 | 165,599,980 | - | - |
| | 09.06.2012 | 20 | 165,600,000 | - | - |
| Abdul Halim Bin Abdul Hamid | 08.06.2012 | - | - | 165,599,980 | 165,599,980 |
| | 09.06.2012 | - | - | 20 | 165,600,000 |
| Ooi Chin Khoon | 08.06.2012 | - | - | 165,599,980 | 165,599,980 |
| | 09.06.2012 | - | - | 20 | 165,600,000 |
| Low Hock Keong | 08.06.2012 | 7,360,000 | 7,360,000 | - | - |
| Chang Tan Chin | 08.06.2012 | 5,520,000 | 5,520,000 | - | - |
| Chong Wai Yew | 08.06.2012 | 5,520,000 | 5,520,000 | - | - |

Note:

* They were the subscriber shareholders of our Group and have disposed the Shares to Aliran Armada after the Acquisition on 9 June 2012.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

8.2 BOARD OF DIRECTORS

8.2.1 Profile

The profile of Abdul Halim Bin Abdul Hamid, Ooi Chin Khoon, Low Hock Keong, Chang Tan Chin and Chong Wai Yew are set out in Section 8.1.2 of this Prospectus.

Datuk Zawawi Bin Mahmuddin, Malaysian, aged 67
Independent Non-Executive Chairman

Datuk Zawawi Bin Mahmuddin is our Independent Non-Executive Chairman. Datuk Zawawi holds a Bachelor of Arts (Honours) Degree from the University of Malaya, which he obtained in 1968.

Datuk Zawawi joined the Administrative and Diplomatic Service and began his career as an Administrative Officer in the Ministry of Transport in 1968. From 1970 to 1975, Datuk Zawawi served as Private Secretary to the Deputy Prime Minister and thereafter held various positions in the Cabinet Secretariat of the Prime Minister's Department from 1975 to 1990. Datuk Zawawi's subsequent appointments include being the Federal Secretary in Sarawak from 1990 to 1992, Deputy Secretary General 1 of the Ministry of Home Affairs from 1992 to 1994 and Secretary General of the Ministry of Information from 1994 to 2000. After retirement from his positions in government agencies, he was first appointed as Independent Non-Executive Director of Aeon Co. (Malaysia) Bhd in 2001. From year 2001 till present, Datuk Zawawi has also been appointed as directors for companies such as Syarikat Explosive Malaysia Sdn Bhd (SME), National Film Development Corporation (FINAS), Governing Council, Bernama and Sukom Nighty Eight Berhad.

Lee Yow Fui, Malaysian, aged 41
Independent Non-Executive Director

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

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

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

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

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Fu Lit Fung, Malaysian, aged 43
Independent Non-Executive Director

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

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

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.2.2 Shareholdings

The shareholdings of our Directors in our Company before and after our Public Issue are as follows:

| Name | Designation | Nationality | Before the Public Issue | | | After the Public Issue | | |
|-----------------------------|------------------------------------|-------------|-------------------------|--------------------------|--------------------|------------------------|--------------------------|--------------------|
| | | | Direct | Indirect | No. of Shares held | Direct | Indirect | No. of Shares held |
| | | | % held | % held | % held | % held | % held | % held |
| Datuk Zawawi Bin Mahmuddin | Independent Non-Executive Chairman | Malaysian | - | - | - | - | - | - |
| Abdul Halim Bin Abdul Hamid | Deputy Chairman | Malaysian | - | 165,600,000 [^] | 90.00 | - | 165,600,000 [^] | 63.94 |
| Ooi Chin Khoon | Managing Director | Malaysian | - | 165,600,000 [^] | 90.00 | - | 165,600,000 [^] | 63.94 |
| Low Hock Keong | Executive Director | Malaysian | 7,360,000 | 4.00 | - | 7,360,000 | 2.84 | - |
| Chang Tan Chin | Executive Director | Malaysian | 5,520,000 | 3.00 | - | 5,520,000 | 2.13 | - |
| Chong Wai Yew | Executive Director | Malaysian | 5,520,000 | 3.00 | - | 5,520,000 | 2.13 | - |
| Lee Yow Fui | Independent Non-Executive Director | Malaysian | - | - | - | - | - | - |
| Fu Lit Fung | Independent Non-Executive Director | Malaysian | - | - | - | - | - | - |

Note:

[^] Deemed interest by virtue of his substantial interests in Alivan Armada pursuant to Section 6A of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.2.3 Principal Activities Performed Outside Our Group

Save as disclosed below, none of our Directors has any directorships and/or principal activities performed outside of our Group for the past five (5) years prior to the LPD:

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | |
|----------------------------|--------------------------------------|--|--------------------------|----------------------------|---------------------------|-----------------------------|
| | | | | | Direct No. of Shares held | Indirect No. of Shares held |
| Datuk Zawawi Bin Mahmuddin | Aeon Co. (M) Bhd | Operating a chain of supermarkets selling a broad range of goods ranging from clothing, food, household goods, other merchandise and shopping centre operation | Director | 23.07.2001 | - | - |
| | TOC Holdings Sdn Bhd | Providing business advisory, consultancy services and higher learning technical training | Director and shareholder | 18.09.2007 | - | 156,000 |
| | TOC Professional Development Sdn Bhd | Investment holding | Director and shareholder | 28.06.2010 | 156,000 | 30 |
| | JJ Vision Sdn Bhd | Film production, distribution & rental of equipment | Director | 09.09.2005 | - | - |
| | Asia Media Content Sdn Bhd | Media content production and distribution and provision of related consulting services | Director | 19.09.2005 | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD -----> | | | |
|------|---|---|-----------------------------|-------------------------------|------------------------------------|-----------|--------------------------------------|-----------|
| | | | | | Direct No. of Shares held | % held | Indirect No. of Shares held | % held |
| | HVD Holdings Sdn Bhd | In process of winding up | Director | 08.07.1995 | - | - | - | - |
| | Info-Bestari Sdn Bhd | Investment holding | Director | 17.06.2004 | - | - | - | - |
| | The Otomotif College Sdn Bhd | Providing higher learning in technical automotive training and various related field | Director | 16.07.2003 | - | - | - | 27 |
| | Knowledge & Green Park Technology Sdn Bhd | Investment and property development | Director | 29.01.2001 | - | - | - | - |
| | Northport Distripark Sdn Bhd | Management of a distribution centre with warehousing, storage and other associated facilities to support trading activities | Director | 08.03.2002 | - | - | - | - |
| | Best Pictures Sdn Bhd | Dormant | Director and shareholder | 15.06.2004 | 1 | @ | - | - |
| | Cosmos Discovery Sdn Bhd | Film, TV programs production and distribution, content provider, provides post production services, web and IT consulting & investment holding | Director | 31.12.2007/ (01.10.2009) | - | - | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | | | |
|-----------------------------|--------------------------------|---|--------------------------|-------------------------------|------------------------------------|-----------|--------------------------------------|-----------|
| | | | | | Direct No. of Shares held | % held | Indirect No. of Shares held | % held |
| Abdul Halim Bin Abdul Hamid | All Star | Civil and structural engineering works | Director | 07.09.2010/ (22.12.2010) | - | - | - | - |
| | EPIC Wealth Management Sdn Bhd | Property investment and consultancy services in computer software solution | Shareholder | - | 27,499 | 55 | - | - |
| Ooi Chin Khoon | Fling Rock Studio Sdn Bhd | Providing information technology services and products. Currently ceased operations | Director and shareholder | 13.10.2009 | 70,000 | 70 | - | - |
| | OCK Properties | Investment land, develop land and general trading | Director and shareholder | 07.05.2003 | 433,000 | 97 | - | - |
| | Bloom Concept Sdn Bhd | As a mechanical and electrical engineering contractor and supplier of electrical and building component | Shareholder | - | 25* | 25* | - | - |
| | Numero Engineering Sdn Bhd | Engineering and technical consultancy services | Director | 23.02.2009/ (15.06.2009) | - | - | - | - |
| | Prisma Makmur (M) Sdn Bhd | Telecommunications related maintenance services | Director | 05.07.2007/ (16.06.2008) | - | - | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | | Indirect No. of Shares held | % held |
|----------------|---|---|-----------------------------|-------------------------------|------------------------------------|-----------------|--------------------------------------|-----------|
| | | | | | Direct No. of Shares held | % held | | |
| | Kazacom Co. Ltd. (Cambodia) | Dormant | Director and shareholder | 14.12.2006 | 600 | 60 | - | - |
| | All Star | Civil and structural engineering works | Director | 14.02.2006/ (08.09.2010) | - | - | - | - |
| | Meltio Corporation Sdn Bhd | Dissolved | Director | 08.07.1999/ (Dissolved) | - | - | - | - |
| | PT OCK | Telecommunications managed services | Director and shareholder | 27.07.2005/ (16.11.2011) | 60,000 [^] | 60 [^] | - | - |
| | OCK Pte Ltd | Dormant | Director and shareholder | 13.08.2010 | 1 | 50 | - | - |
| | Modern Net Sdn Bhd | Rental of testing equipment | Director and shareholder | 09.04.2008/ (26.08.2011) | - | - | 125,000# | 25# |
| | Kitchen Maestro Sdn Bhd | Operation of food and beverage outlets | Director | 02.05.2012 | - | - | - | - |
| Low Hock Keong | Syarikat Kejuruteraan Hup Huat Kelang Sdn Bhd | Construction works | Director | 12.11.1997 | - | - | - | - |
| | Fling Rock Studio Sdn Bhd | Previously providing information technology services and products. Currently ceased operations | Director | 09.05.2011 | - | - | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | | Indirect No. of Shares held | % held |
|------|------------------------------|---|--------------------------|----------------------------|---------------------------|--------|-----------------------------|--------|
| | | | | | Direct No. of Shares held | % held | | |
| | OCK Properties | Investment land, develop land and general trading | Director and shareholder | 20.06.2011 | 15,000 | 3 | - | - |
| | Hasrat Lagenda Sdn Bhd | Investment holding | Director | 12.09.2005 | - | - | - | - |
| | Corwaja Sdn Bhd | Investment holding | Director and shareholder | 13.05.2004 | 1 | 16.67 | - | - |
| | Meng Heng Enterprise Sdn Bhd | Trading and installation of construction material | Director and shareholder | 21.04.2000 | 1 | 50 | - | - |
| | Natural Jubilee Sdn Bhd | Investment holding | Director | 20.02.1997 | - | - | - | - |
| | Sparkle Properties Sdn Bhd | Trading and investment company | Director and shareholder | 14.05.2001 | 11,250 | 24 | - | - |
| | Mega 2000 Sdn Bhd | Dormant | Director and shareholder | 04.01.2000 | 1 | 50 | - | - |
| | PT OCK | Telecommunications managed services | Director and shareholder | 27.07.2005/ (16.11.2011) | 20,000 | 20 | - | - |
| | Kazacom Co. Ltd. (Cambodia) | Dormant | Director and shareholder | 14.12.2006 | 200 | 20 | - | - |
| | Kitchen Maestro Sdn Bhd | Operation of food and beverage outlets | Director | 02.05.2012 | - | - | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | | | |
|----------------|---------------------------------|---|--------------------------|-------------------------------|--------------------|----------|--------------------|--------|
| | | | | | Direct | Indirect | | |
| | | | | | No. of Shares held | % held | No. of Shares held | % held |
| Chang Tan Chin | Bloom Concept Sdn Bhd | As a mechanical and electrical engineering contractor and supplier of electrical and building component | Director and shareholder | 11.09.2008/ (18.11.2011) | 12* | 12* | - | - |
| Chong Wai Yew | Bloom Concept Sdn Bhd | As a mechanical and electrical engineering contractor and supplier of electrical and building component | Director and shareholder | 11.09.2008/ (18.11.2011) | 12* | 12* | - | - |
| Lee Yow Fui | Markem-Imaje Sdn Bhd | Trading of marking and coding equipments | Director | 17.10.2007/ (22.05.2009) | - | - | - | - |
| Fu Lit Fung | Nextnation Communication Berhad | Provision of end to end mobile application services which connects mobile networks, developers and distributors | Independent Director | 24.06.2006 | - | - | - | - |
| | Logical Force Sdn Bhd | Trading in computer hardware, systems software and photography equipment and accessories | Director and shareholder | 20.08.2004 | 61,500 | 29.29 | - | - |
| | Local Commerce Sdn Bhd | Property investment | Director and shareholder | 13.12.2010 | 499 | 24.95 | - | - |
| | Bidal Majujaya Sdn Bhd | Dormant | Director and shareholder | 01.07.2010 | 1 | 25 | - | - |

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at the LPD | | | |
|------|----------------------|--|-------------|----------------------------|---------------|----------|--------------------|------------------|
| | | | | | Direct | Indirect | No. of Shares held | % of Shares held |
| | Bit Solution Sdn Bhd | Trading in computer hardware and providing software development services | Director | 13.06.2007 | - | - | - | - |

None of the Directors are involved in the day-to-day activities and operations of the abovementioned business and accordingly, their involvement in the abovementioned companies do not affect their contribution to our Group or negatively impact their ability to act as the Executive Directors of our Group.

Notes:

- @ Negligible.
- * Disposed on 18 November 2011.
- ^ Disposed on 16 November 2011.
- # Deemed interest by virtue of his spouse's interest in Modern Net Sdn Bhd pursuant to Section 6A of the Act.

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

8.2.4 Directors' Remuneration and Material Benefits-in-Kind

The current remunerations and proposed remunerations for services rendered/to be rendered by our Directors in all capacities to our Group for the FYE 31 December 2010 to 2012 are as follows:

| Director | ← Compensation Band (RM) → | | |
|-----------------------------|----------------------------|----------------------|-----------------------|
| | FYE 31 December 2010 | FYE 31 December 2011 | FYE 31 December 2012* |
| Datuk Zawawi Bin Mahmuddin | Nil | Nil | 40,000 to 60,000 |
| Abdul Halim Bin Abdul Hamid | 100,000 to 150,000 | 200,000 to 250,000 | 300,000 to 350,000 |
| Ooi Chin Khoon | 250,000 to 300,000 | 300,000 to 350,000 | 400,000 to 450,000 |
| Low Hock Keong | 200,000 to 250,000 | 250,000 to 300,000 | 300,000 to 350,000 |
| Chang Tan Chin | 100,000 to 150,000 | 150,000 to 200,000 | 200,000 to 250,000 |
| Chong Wai Yew | 100,000 to 150,000 | 150,000 to 200,000 | 200,000 to 250,000 |
| Lee Yow Fui | Nil | Nil | 20,000 to 40,000 |
| Fu Lit Fung | Nil | Nil | 20,000 to 40,000 |

Note:

* *Estimated and subject to shareholders' approval.*

The above remunerations, which comprise salaries, incentives, bonuses, fees, allowances and other benefits-in-kind must be considered and recommended by the Remuneration Committee and subsequently approved by our Board. Our Directors' fees and incentives must be further approved or endorsed by our shareholders at a general meeting.

8.2.5 Directors' Term of Office

Our Directors were appointed to the Board and has served in their respective capacities as described in Sections 8.1.2 and 8.2.1 of this Prospectus. Our Board comprises five (5) Executive Directors, three (3) Independent Non-Executive Directors and their respective terms of office are as follows:

| Name | Designation | Expiration of Term of Office |
|-----------------------------|------------------------------------|------------------------------|
| Datuk Zawawi Bin Mahmuddin | 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 | * |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Name | Designation | Expiration of Term of Office |
|-------------|------------------------------------|------------------------------|
| Lee Yow Fui | Independent Non-Executive Director | * |
| Fu Lit Fung | Independent Non-Executive Director | * |

Note:

- * *In accordance with the Company's Articles of Association, one-third (1/3) of the Directors, including the Managing Director, if any, and with a minimum of one (1) Director shall retire by rotation at each Annual General Meeting and to be eligible for re-election Provided Always that each director shall retire from office at least once in every three (3) years but shall be eligible for re-election. An election of Directors shall take place each year.*

Any person appointed by the Board to either fill a casual vacancy or as an addition to the existing directors shall hold office until the conclusion of the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

8.3 AUDIT, NOMINATION AND REMUNERATION COMMITTEES

8.3.1 Audit Committee

Our Audit Committee was established on 11 June 2012. Members of our Audit Committee are as follows:

| Name | Designation | Directorship |
|----------------------------|-------------|------------------------------------|
| Datuk Zawawi Bin Mahmuddin | Chairman | Independent Non-Executive Chairman |
| Lee Yow Fui | Member | Independent Non-Executive Director |
| Fu Lit Fung | Member | Independent Non-Executive Director |

The main function of the Audit Committee falls within the ambit of the Listing Requirements. Our Audit Committee, amongst others, shall undertake the following responsibilities and duties:

- (i) Review with our auditors the nature and scope of their audit plans, audit reports, major findings and evaluations of our accounting system and internal controls;
- (ii) Review our quarterly and annual financial statements before submission to our Board, focusing in particular on any change in implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, the going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) Consider the appointment or reappointment of external auditors and matters relating to their resignation;
- (iv) Review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group; and
- (v) Perform such other functions as may be requested by our Board.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

8.3.2 Nomination Committee

Our Nomination Committee was established on 11 June 2012. Members of our Nomination Committee are as follows:

| Name | Designation | Directorship |
|----------------------------|-------------|------------------------------------|
| Datuk Zawawi Bin Mahmuddin | Chairman | Independent Non-Executive Chairman |
| Lee Yow Fui | Member | Independent Non-Executive Director |
| Fu Lit Fung | Member | Independent Non-Executive Director |

The main responsibilities of our Nomination Committee include the following:

- (i) Identify and recommend to our Board, candidates for directorships for our Company and Directors as members of the relevant Board committees;
- (ii) Evaluate the effectiveness of our Board and the relevant Board committees; and
- (iii) Ensure an appropriate framework and succession planning for our Board.

The recommendations of the Nomination Committee are subject to the approval of our Board.

8.3.3 Remuneration Committee

Our Remuneration Committee was established on 11 June 2012. Members of our Remuneration Committee are as follows:

| Name | Designation | Directorship |
|----------------------------|-------------|------------------------------------|
| Datuk Zawawi Bin Mahmuddin | Chairman | Independent Non-Executive Chairman |
| Lee Yow Fui | Member | Independent Non-Executive Director |
| Ooi Chin Khoon | Member | Managing Director |

The main responsibilities of our Remuneration Committee include the following:

- (i) Assist our Board in determining the remuneration of Directors and key management and key technical personnel;
- (ii) Assist our Board in discharging responsibilities relating to, amongst others, compensation strategy, succession planning, management development and other compensation arrangements; and
- (iii) Ensure corporate accountability and governance in respect of our Board remuneration and compensation functions.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.4 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

8.4.1 Profiles

Cheng Tee Han, Malaysian, aged 51
Chief Financial Officer

Cheng Tee Han is our Group's Chief Financial Officer. Mr. Cheng graduated in 1985 from College Tunku Abdul Rahman with a Diploma in Commerce majoring in Financial Accounting. He is a Fellow of The Association of Chartered Certified Accountants (FCCA).

Mr. Cheng started his career with an auditing firm, Lim, Cheh and Chang in 1985 as an Audit Assistant. After two (2) years, he joined Fudex Rubber Products (M) Sdn Bhd as an Accountant. Subsequently in 1990, he was employed by Keppel Corporation Limited as an Accountant. In 2003, Mr. Cheng joined R&A Telecommunication Sdn Bhd as its Chief Financial Officer until 2007. Before joining OCK Setia in 2010, he worked independently as a business consultant for various companies from 2008 to 2009.

Mr. Cheng's current role encompasses business and financial strategy and planning, monitoring, management and reporting, including management and development of policies, systems and processes of our Group.

Wong Shau Yang, Malaysian, aged 43
Tendering and Marketing Director

Wong Shau Yang is our Group's Tendering and Marketing Director. Mr. Wong graduated from University of Alberta, Edmonton, Alberta, Canada in 1993 with a Bachelor's Degree in Electrical Engineering.

After graduation, he joined Celcom in 1994 as an Engineer and was subsequently promoted to its Technical Officer. In 1997, he joined Prismanet Sdn Bhd as its Project Manager prior to joining Lucent Technologies (M) Sdn Bhd, now known as Alcatel-Lucent, as a Senior Engineer in 1998 and was promoted to Alcatel-Lucent's Customer Solution Leader in 2007. In 2010, Mr. Wong joined OCK Setia as our Tendering and Marketing Director. His current responsibilities include overseeing all telecommunications network services and products pre-sales, tendering bids and proposals.

Foo See Liang, Malaysian, aged 44
Project Management Director

Foo See Liang is one of our Group's Project Management Director. Mr. Foo graduated from Oxford Brookes University, England, in 1995 with a Bachelor's Degree in Electronics Engineering. He is also a certified Project Management Professional from Project Management Institute in 2009.

After graduation in 1995, Mr. Foo started his career with Jebson & Jessen Telecommunication Sdn Bhd as a Project Engineer. In 1996, he joined Lucent Technologies (M) Sdn Bhd, now known as Alcatel-Lucent, as a Project Engineer. In 2002, he was promoted as a Customer Service Manager and led the Operation and Maintenance support team. In 2006, Mr. Foo held the position of Project Manager and subsequently, in 2009, Mr. Foo joined OCK Setia as our Project Management Director.

His current key functions include sharing and coordinating resources across all projects and to identify and develop project management methodology, best practices and standards. Mr. Foo is also responsible for maintaining the Project Management Office's function as a clearing house and management centre for project policies, procedures, templates and to act as centralised repository and management for both shared and unique risks for all projects.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Hussin Bin Abu Bakar, Malaysian, aged 47
Engineering and Regulatory Head

Hussin Bin Abu Bakar is our Group's Engineering and Regulatory Head. He graduated from Universiti Teknologi MARA in 1986 with a Diploma in Estate Management majoring in Valuation and Property Management.

Encik Hussin joined the Perak Land office under its graduate training scheme from 1987 to 1989 before starting his career with the Valuation Department of the Ipoh City Council as a Valuation Officer in 1989. In 1997, Encik Hussin joined Time Cel Sdn Bhd as a Senior Property Executive before joining Maxis in 2002 as a Special Grade Executive for two (2) years. In 2005, Encik Hussin joined DiGi as their Head of Compliance. In 2008, he joined Alcatel-Lucent as its Permitting Manager until 2010 where he joined Ericsson as its Site Acquisition Consultant. Subsequently, in the same year, he joined OCK Setia as our Engineering and Regulatory Head.

Encik Hussin's functions include managing real estate agents in site identification, liaising with local council and ensuring site security. He also engages professional engineers and monitor site preparation for government authority approval matters and to apply for adequate electric power supply for each site. He is also responsible for liaisons with related government bodies.

Quek Meu San, Malaysian, aged 41
Group Human Resource ("HR"), Administration, Information Technology ("IT") and Procurement Director

Quek Meu San is our Group's HR, Administration, IT and Procurement Director. Ms. Quek is a certified London Chamber of Commerce and Industry (LCCI) holder from EU Institute in 1992. She obtained her certificate for Secretarial and Administrative Course from Systematic College in 1995.

Ms. Quek started her employment with United Overseas Bank (M) Berhad in 1994 as Banking Teller. In 1996, she was promoted as Bank Officer. A year later, she joined Cobrain Holding Sdn Bhd as an Accounts cum Administration Executive.

Ms. Quek joined OCK Setia in 1999 as an Account cum Administration Executive. She was promoted and seconded to various positions in the Group during her tenure in the Group and was promoted to her current position in 2010. Her current role is to oversee our Group's administrative, HR, IT and procurement departments.

Sharon Mak May Cheng, Malaysian, aged 34
Marketing Director

Sharon Mak May Cheng is our Group's Marketing Director. She graduated from Monash University in 2000 with a Bachelor's Degree of Commerce Majoring in Accounts and Finance. Ms. Sharon is also a member of Certified Practicing Accountants (CPA) Australia.

Ms. Sharon started her career in 2000 with Deloitte Kassim Chan Sdn Bhd as an auditor. In 2003, she joined Knusford Berhad as an Accountant. She was seconded to the Power Generation Division of the Knusford Berhad in 2004 as a Sales Manager.

In 2004, she was promoted to Marketing Manager and after five (5) years of holding the position, she started Energy Icon Sdn Bhd, a business venture focusing on power generation. She subsequently joined EI Power in 2010 as its Marketing Director. Currently, Ms. Sharon is responsible in evaluating market feasibility, increase market coverage and to manage the sales and marketing team in EI Power.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.4.2 Shareholdings

The shareholdings of our key management and key technical personnel before and after our Public Issue are as follows:

| Name | Designation | Nationality | Before the Public Issue | | | After the Public Issue | | |
|----------------------|---|-------------|-------------------------|----------|--------------------|------------------------|----------|--------------------|
| | | | Direct | Indirect | No. of Shares held | Direct | Indirect | No. of Shares held |
| | | | % held | % held | % held | % held | % held | % held |
| Cheng Tee Han | Chief Finance Officer | Malaysian | - | - | 258,100* | 0.10 | - | - |
| Wong Shau Yang | Tendering and Marketing Director | Malaysian | - | - | 258,100* | 0.10 | - | - |
| Foo See Liang | Project Management Office Director | Malaysian | - | - | 258,100* | 0.10 | - | - |
| Hussin Bin Abu Bakar | Engineering and Regulatory Head | Malaysian | - | - | 220,000* | 0.08 | - | - |
| Quek Meu San | Group HR, Administration, IT and Procurement Director | Malaysian | - | - | 1,400,000* | 0.54 | - | - |
| Sharon Mak May Cheng | Marketing Director | Malaysian | - | - | 258,100* | 0.10 | - | - |

Note:

* Assuming full subscription of Pink Form allocations.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

8.4.3 Involvement of Key Management and Key Technical Personnel in Other Businesses or Corporations

Save as disclosed below, none of our key management and key technical personnel are involved in other businesses/corporations as at the LPD:

| Name | Company | Principal Activities | Designation | Date Appointed/ (Resigned) | As at LPD | | | |
|----------------------|---------------------------------------|-------------------------------------|--------------------------|----------------------------|---------------------------|--------|-----------------------------|--------|
| | | | | | Direct No. of shares held | % held | Indirect No. of shares held | % held |
| Cheng Tee Han | Transcend Capital Corporation Sdn Bhd | Dormant | Director and Shareholder | 19.06.2007 | 1 | 50.00 | - | - |
| Sharon Mak May Cheng | Acon Technologies Sdn Bhd | Distribution of general merchandise | Director and Shareholder | 09.06.2010/ (25.10.2011) | 50,000* | 50.00* | - | - |
| | Energy Icon Sdn Bhd | General trading | Director and Shareholder | 16.10.2008/ (16.11.2011) | 30,000^ | 30.00^ | - | - |

Notes:

* Disposed on 25 October 2011.

^ Disposed on 16 November 2011.

None of our key management and key technical personnel has any interest, direct or indirect, in any other businesses and corporations carrying on a trade similar to that of our Group and/or any business or corporations which are also our customers or suppliers of our Group.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

8.5 DECLARATIONS BY PROMOTERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

Save as disclosed below and based on the declarations by our Promoters, Directors, key management and key technical personnel, none of our Promoters, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Disqualification from acting as a director of any corporation, or from taking part directly or indirectly in the managing of a corporation;
- (iii) Charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) Any judgement entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) The subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

Datuk Zawawi Bin Mahmuddin was a director of HVD Holdings Sdn Bhd, which was subject to a creditors winding-up petition vide judgment dated 21 September 2005.

8.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

There are no family relationships (as defined under Section 122A of the Act) or associations amongst our Promoters, Directors, substantial shareholders, key management and key technical personnel.

8.7 BENEFITS PAID OR INTENDED TO BE PAID

Save as disclosed in Section 8.2.4 of this Prospectus, there is no amount or benefit paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholders within the two (2) years preceding the date of this Prospectus.

8.8 SERVICE AGREEMENTS WITH DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

As at the LPD, there are no existing or proposed service agreements between the companies within our Group and our Directors, key management and key technical personnel, which are not terminable by notice without payment or compensation (other than statutory notice).

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

8.9 INFORMATION ON EMPLOYEES

8.9.1 Employment Structure

As at the LPD, we have a total workforce of 486 personnel, including our Executive Directors. There has been no industrial dispute actions taken against our Group and none of our employees are members of any union. In addition, our Group has not encountered any major turnover in our workforce. The breakdown of our employees by category as at 31 December 2008 to 2011 as well as at the LPD is as follows:

| Category | Number of Employees | | | | As at the LPD |
|--|---------------------|------------|------------|------------|---------------|
| | 2008 | 2009 | 2010 | 2011 | |
| Managerial | 7 | 15 | 31 | 39* | 46* |
| Engineering | 141 | 150 | 144 | 223 | 294 |
| Sales and marketing | - | 1 | 1 | 4 | 4 |
| Finance, human resource and administration | 16 | 20 | 26 | 23 | 28 |
| Technician/installer | 24 | 24 | 38 | 27 | 50 |
| Clerical/ non-executive | 19 | 18 | 36 | 53 | 64 |
| Total | 207 | 228 | 276 | 369 | 486 |

Note:

- * Our Executive Directors are included in the managerial category.

As at the LPD, we have the following permanent and contractual staff under the following categories:

| Category | Number of Employees | | |
|--|---------------------|------------|------------|
| | Contract | Permanent | Total |
| Managerial | 2 | 44* | 46 |
| Engineering | 232 | 62 | 294 |
| Sales and marketing | 0 | 4 | 4 |
| Finance, human resource and administration | 9 | 19 | 28 |
| Technician/installer | 40 | 10 | 50 |
| Clerical/ non-executive | 36 | 28 | 64 |
| Total | 319 | 167 | 486 |

Note:

- * Our Executive Directors are included in the managerial category.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

The increasing trend in number of employees for the financial years and period under review was in line with the human capital needs for the execution of projects. As the number of projects under our Group increases, human resources increases accordingly. Further, the incorporation of Steadcom and EI Power in FYE 31 December 2010 and Fortress Singapore in FYE 31 December 2011 contributed to the increase in headcount during the respective year/period.

8.9.2 Training and Development

We place strong emphasis on human resource development. Employees of the Group are given regular on-the-job training in areas of management skills and technical knowledge. The Group also provides opportunities for internal promotion as one of the key components of employees' development and retention.

All new employees recruited by us are required to undergo in-house orientation conducted by the respective department heads to familiarize themselves with our corporate vision, culture and policies. On-the-job training is also provided to the production operators and technicians to equip them with the necessary working knowledge and skills in order for them to carry out their job responsibilities efficiently. The Human Resources Department is responsible for the preparation of a monthly training plan at the end of each month. In addition, department heads are required to obtain approval for any additional training requests.

In line with our Group's ISO 9001:2008 certification, in-house training programmes which are conducted include courses on total quality standards management as well as safety measures. These are mainly technical training, motivational and leadership/management development programmes aimed to increase the staff's knowledge and to enhance proficiency in their daily tasks. Employees are regularly encouraged to upgrade themselves and to keep abreast with the latest market trends and developments.

Our employees have had the opportunity to participate in training programmes to develop industry knowledge to enhance proficiency in their daily tasks. Some of the training programmes attended by our employees are as follows:

| Date | Programme | Venue | Facilitator/ Organiser |
|--|------------------------------|------------------------------------|--|
| 23.02.2009/ 11.03.2009/ 13.04.2009/ 14.07.2009/ 27.07.2009/ 09.09.2009/ 15.09.2009/ 20.09.2009/ 26.09.2009 | Max – Safety | Grand Seasons Avenue, Kuala Lumpur | CIDB |
| 14.07.2009 | First Aid Training | Ampang | Persatuan Bulan Sabit Merah Malaysia |
| 08.07.2009 | NIOSH Safety Training | Kuala Lumpur | National Institute of Occupational Safety & Health |
| 29.07.2009 | EMS – Awareness Program | Grand Seasons Avenue, Kuala Lumpur | CIDB |
| 18.08.2009 | Max – Tower & Rooftop Course | Grand Seasons Avenue, Kuala Lumpur | CIDB |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

| Date | Programme | Venue | Facilitator/ Organiser |
|--|---|---|--|
| 13.01.2010 | Employees Termination Guidelines | Eastin Hotel, Petaling Jaya | Malaysia Export Academy Sdn Bhd |
| 06.02.2010/ 06.05.2010/ 25.06.2010/ 06.08.2010/ 11.10.2010 | Max – Safety | Grand Seasons Avenue, Kuala Lumpur | CIDB |
| 25.02.2010/ 12.03.2010 | Penilaian Agensi Pemerakuan | Telekom Malaysia Training Centre | Telekom Malaysia Berhad |
| 26.07.2010 | Implementing ISO 14001:2004 | Sysnovate Training Centre , Kuala Lumpur | Sysnovate Solutions Sdn Bhd |
| 12.08.2010 | Microwave Installation Training | Shah Alam Convention Centre, Shah Alam | Huawei |
| 04.11.2010 | NIOSH Safety Training | Lot 1, Jalan 15/1, Section 15, 43650, Bandar Baru Bangi | National Institute of Occupational Safety & Health |
| 13.04.2011/ 15.04.2011/ 20.04.2011/ 22.07.2011 | Safety Work At Height | Suite 1-19, Dagang Avenue e-Business Center, Jalan Dagang B/3A, Taman Dagang Ampang | Iratec (M) Sdn Bhd |
| 25.04.2011 | Managerial – Business English for Communication | Eastin Hotel, Petaling Jaya | Malaysia Export Academy |
| 27.04.2011 | Worker Management Communication Program | Sunway Hotel, Penang | Electronic Industry Citizenship Coalition |
| 11.06.2011 | Fire Prevention Training | Headquarters | Fire Prevention Centre |
| 05.07.2011 | National Return to Work Conference | PWTC, Kuala Lumpur | SOCSCO |
| 07.07.2011 | NIOSH – Telecom Safety | Lot 1, Jalan 15/1, Section 15, 43650, Bandar Baru Bangi | National Institute of Occupational Safety & Health |
| 13.07.2011 | Gems SRM Supplier Self Service (SUS) Training | Peridot Training Room, Menara TM, Kuala Lumpur | Telekom Malaysia Berhad |
| 23.08.2011 | Gold of the Desert Kings | JW Marriott Hotel, Kuala Lumpur | Innovative Training Expert Sdn Bhd |
| 22.11.2011 | ISO 9001:2008 Internal Quality Auditor Workshop | Sysnovate Training Centre , Kuala Lumpur | Sysnovate Solutions Sdn Bhd |

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

| Date | Programme | Venue | Facilitator/ Organiser |
|--|--|---|--|
| 05.04.2012/ 06.04.2012/ 07.04.2012 | Safety Work At Height | Suite 1-19, Dagang Avenue e-Business Center, Jalan Dagang B/3A, Taman Dagang Ampang | Iratec (M) Sdn Bhd |
| 21.04.2012/ 22.04.2012 | GSM Training | OCK Headquarters | Phua Guan Siong |
| 21.04.2012/ 22.04.2012/ 14.05.2012 | NIOSH – Telecom Safety | Lot 1, Jalan 15/1, Section 15, 43650, Bandar Baru Bangi | National Institute of Occupational Safety & Health |
| 03.05.2012 | EICC – GeSI Health and Safety Training | Plot 76, Mukim 11 Bukit Tengah Industrial Park Peang | Dell Asia Pacific Sdn Bhd |

8.9.3 Management Succession Plan

Our Board believes that the success of the Group depends on the ability and retention of our key management and key technical personnel and skilled personnel. Therefore, we have made efforts to train our staff and remunerate them accordingly.

Our Group has a management succession plan consisting:

- (i) Sound recruitment and selection;
- (ii) Competitive remuneration and employee benefits;
- (iii) Structured career planning and development; and
- (iv) Continuous training and education.

In addition, we will continue to provide appropriate training to promising junior staff in order to enhance their management and technical skills for the purpose of their career advancement within our Group. As part of the management succession plan, our Group has identified middle management personnel across all levels to assist the heads of various business divisions in order to facilitate skill transfer so as to ensure the smooth running and continuity of the operations of our Group. If the need arises, we will recruit qualified personnel with knowledge and expertise of the business to further enhance our operations.

We believe that our employees are our most valuable assets and believe that they should have on-the-job training where new employees will be trained at their worksites under normal working conditions.

9. APPROVALS AND CONDITIONS *(Cont'd)*

9.1 APPROVALS FROM RELEVANT AUTHORITIES

Our Listing is an exempt transaction under Section 213 of the CMSA and is therefore not subject to the approval of the SC.

The SC, vide its letter dated 11 June 2012, had approved the resultant equity structure of our Group pursuant to the Listing under the equity requirements for public companies. The conditions imposed by the SC and the status of our compliance are set out below:

| No. | Details on Conditions Imposed | Status of Compliance |
|-----|--|----------------------|
| 1. | OCK to submit its equity structure to the SC upon completion of the Proposed Listing; | Will be complied. |
| 2. | OCK to allocate the difference between the prescribed equity requirement of 12.5% of its enlarged issued and paid-up share capital and the actual equity interests of Bumiputera investors upon listing to Bumiputera public investors to be approved by Ministry of International Trade and Industry, within one year after achieving the profit track record requirement for companies seeking listing on the Main Market, or five years after being listed on the ACE Market, whichever is the earlier (Triggering Date); and | Will be complied. |
| 3. | Alliance/OCK to submit to the SC a proposal to comply with the Bumiputera equity condition in (ii) above at least six months from the Triggering Date. | Will be complied. |

Bursa Securities had on 31 May 2012 approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market.

The approval from Bursa Securities is subject to the following conditions:

| No. | Details on Conditions Imposed | Status of Compliance |
|-----|--|---|
| 1. | Submission of the following information in respect to the moratorium on the shareholdings of the promoters to the Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares. | The following information has been submitted to Bursa Depository on 20 June 2012. |
| 2. | Approvals from other relevant authorities have been obtained for implementation of the listing proposal; | Complied. |
| 3. | Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements; | Will be complied. |

9. APPROVALS AND CONDITIONS (Cont'd)

| No. | Details on Conditions Imposed | Status of Compliance |
|-----|---|----------------------|
| 4. | Furnish the Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire issued and paid-up share capital of OCK on the first day of listing; | Will be complied. |
| 5. | Any director of the Company that has not attended the Mandatory Accreditation Programme must do so prior to listing of the Company; | Will be complied. |
| 6. | <p>In relation to the public offering to be undertaken by OCK, please announce at least two (2) market days prior to the listing date, the result of the offering including the following:</p> <ul style="list-style-type: none"> <li data-bbox="393 754 965 815">(i) Level of subscription of public balloting and placement; <li data-bbox="393 815 758 844">(ii) Basis of allotment/allocation; <li data-bbox="393 844 965 934">(iii) A table showing the distribution for placement tranche, in format as attached in Appendix I; and <li data-bbox="393 934 965 1023">(iv) Disclosure of placees who become substantial shareholder of OCK arising from the public offering, if any; and | Will be complied. |
| 7. | OCK/Alliance to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the admission to the Official List on the ACE Market is completed. | Will be complied. |

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9. APPROVALS AND CONDITIONS (Cont'd)

9.2 MORATORIUM ON SALE OF SHARES

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (a) The moratorium applies to our Promoters' entire shareholdings for a period of six (6) months from the date of admission to the ACE Market;
- (b) Upon expiry of the six (6) months period stated above, we must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our Company's nominal issued and paid-up share capital remain under moratorium for another period of six (6) months; and
- (c) Thereafter, our Promoters may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of our Shares held under moratorium.

The details of shares held under moratorium shall be imposed according to the following:

| Promoter | No. of shares held under Moratorium for the First Six (6) Months upon Listing | | | | No. of shares held under Moratorium for the subsequent Six (6) Months | | | |
|-----------------------------|---|----------------|----------------------------|----------------|---|----------------|----------------------------|----------------|
| | Direct | % [*] | Indirect | % [*] | Direct | % [*] | Indirect | % [*] |
| Aliran Armada | 165,600,000 | 63.94 | - | - | 104,895,000 | 40.50 | - | - |
| Abdul Halim Bin Abdul Hamid | - | - | 165,600,000 ⁽¹⁾ | 63.94 | - | - | 104,895,000 ⁽¹⁾ | 40.50 |
| Ooi Chin Khoon | - | - | 165,600,000 ⁽¹⁾ | 63.94 | - | - | 104,895,000 ⁽¹⁾ | 40.50 |
| Low Hock Keong | 7,360,000 | 2.84 | - | - | 4,662,000 | 1.80 | - | - |
| Chang Tan Chin | 5,520,000 | 2.13 | - | - | 3,496,500 | 1.35 | - | - |
| Chong Wai Yew | 5,520,000 | 2.13 | - | - | 3,496,500 | 1.35 | - | - |
| Total | 184,000,000 | 71.04 | - | - | 116,550,000 | 45.00 | - | - |

Notes:

(1) Deemed interest by virtue of his shareholding in Aliran Armada.

* Based on our enlarged issued and paid-up share capital after our Public Issue.

Our Promoters have provided undertaking letters to Bursa Securities that they will comply with the moratorium conditions as set out in Rule 3.19 (1) of the Listing Requirements.

The restriction, which is fully acknowledged by our Promoters, is specifically endorsed on our Share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed by Bursa Securities.

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10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

10.1 EXISTING AND PROPOSED RELATED PARTY TRANSACTIONS

Save as disclosed below, our Board confirms that there are no existing or presently proposed related-party transactions entered/to be entered into between our Group and our Directors, substantial shareholders, key management, key technical personnel and/or persons connected with them, during the four (4) FYE 31 December 2008 to 2011 and forecast for the FYE 31 December 2012 and 2013:

| Related Party | Interested Promoter/ Director/ Substantial Shareholder/ Key Management/ Key Technical Personnel | Nature of Relationship | Nature of Transaction | Audited | | | | Forecast | |
|---------------|---|--|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 |
| All Star | <ul style="list-style-type: none"> Abdul Halim Bin Abdul Hamid Ooi Chin Khoon | Abdul Halim Bin Abdul Hamid and Ooi Chin Khoon were shareholders and Directors of All Star. They disposed their shareholdings and resigned from their directorships in December 2010 and September 2010 respectively | Sub-contractor services provided to OCK Setia | 5,650 | 3,405 | 378 | - | - | - |
| | | | Telecommunications network deployment services rendered from OCK Setia | - | - | - | - | - | - |
| | | | Management fees paid to OCK Setia | 6 | 6 | 6 | - | - | - |
| | | | Office rental paid to OCK Setia | 3 | 3 | 6 | - | - | - |
| | | | Utilities fees paid to OCK Setia | 2 | 4 | 5 | - | - | - |
| | | | Printing and stationery expenses paid to OCK Setia | - | - | 13 | - | - | - |
| OCK Setia | <ul style="list-style-type: none"> Ooi Chin Khoon | Ooi Chin Khoon is the owner of the building rented to OCK Setia | Rental of headquarters to OCK Setia | - | 88 | 264 | 264 | 264 | 264 |

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

| Related Party | Interested Promoter/ Director/Substantial Shareholder/ Key Management/ Key Technical Personnel | Nature of Relationship | Nature of Transaction | Audited | | | | | Forecast | | |
|---------------------------|--|--|--|----------------|----------------|----------------|----------------|----------------|----------------|----|--|
| | | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | | |
| OCK Properties | <ul style="list-style-type: none"> Ooi Chin Khoo Low Hock Keong | Ooi Chin Khoo and Low Hock Keong are directors and shareholders of OCK Properties | Disposal of OCK Properties to: (i) Ooi Chin Khoo (ii) Low Hock Keong | - | - | - | 984 | - | - | - | |
| Fling Rock Studio Sdn Bhd | <ul style="list-style-type: none"> Ooi Chin Khoo Low Hock Keong | Ooi Chin Khoo and Low Hock Keong are directors and shareholders of Fling Rock Studio Sdn Bhd | Office rental paid to OCK Setia Management fee paid to OCK Setia Utilities paid to OCK Setia | - | - | 18 | 5 | 5 | 5 | 5 | |
| Prisma Makmur (M) Sdn Bhd | <ul style="list-style-type: none"> Ooi Chin Khoo | Ooi Chin Khoo is a director and shareholder of Prisma Makmur (M) Sdn Bhd | Telecommunications network turnkey services rendered from OCK Setia | 764 | 203 | - | - | - | - | - | |
| OCK Setia | <ul style="list-style-type: none"> Quek Meu San | Quek Meu San is the owner of the property rented to OCK Setia | Rental of property located at 9-3, Jalan Puteri 2/6, Bandar Puteri, 47100 Puchong, Selangor | - | 6 | 19 | 19 | 19 | 19 | 19 | |

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

| Related Party | Interested Promoter/ Director/ Substantial Shareholder/ Key Management/ Key Technical Personnel | Nature of Relationship | Nature of Transaction | Audited | | | | | Forecast | |
|--|---|--|--|----------------|----------------|----------------|-------------------------------|----------------|----------------|--|
| | | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 31 December 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | |
| Modern Net Sdn Bhd ("Modern Net") | <ul style="list-style-type: none"> Lee Kong Jin Song Seok Ying | Lee Kong Jin is a director and shareholder of Modern Net. He is also a director in Firatel. | Rental of testing equipment by OCK Setia | 633 | 813 | 225 | 181 | 200 | 200 | |
| | | | Purchases from Firatel | - | 1 | 2 | 11 | 20 | 25 | |
| | | | Purchases from Delicom | - | 15 | 60 | - | 50 | 50 | |
| | | | Purchases from OCK Setia | 24 | - | 24 | - | 50 | 50 | |
| Delicom | <ul style="list-style-type: none"> Ooi Chin Khoon Abdul Halim Bin Abdul Hamid | Ooi Chin Khoon and also a shareholder and director of Modern Net. She had disposed of her entire equity interest in Modern Net in August 2011. | Rental of warehouse paid to Firatel | - | - | - | 2 | 20 | 20 | |
| | | | Rental of equipment from OCK Setia | - | - | - | 29 | 30 | 30 | |
| | | | Purchase from OCK Setia | 2,157 | 2,139 | 5,242 | ^ | ^ | ^ | |
| Delicom | <ul style="list-style-type: none"> Ooi Chin Khoon Abdul Halim Bin Abdul Hamid | Ooi Chin Khoon and Abdul Halim Bin Abdul Hamid are directors and shareholders of Delicom | Car rental received from OCK Setia | 30 | 68 | 72 | ^ | ^ | ^ | |
| | | | Management fee paid to OCK Setia | 6 | 6 | 4 | ^ | ^ | ^ | |
| | | | Office rental paid to OCK Setia | 11 | 4 | 22 | ^ | ^ | ^ | |

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

| Related Party | Interested Promoter/ Director/ Substantial Shareholder/ Key Management/ Key Technical Personnel | Nature of Relationship | Nature of Transaction | Audited | | | | | Forecast | |
|----------------|---|---|--|----------------|----------------|----------------|-------------------------------|----------------|----------------|---|
| | | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 31 December 2011 RM'000 | 2012 RM'000 | 2013 RM'000 | |
| OCK Pte Ltd | • Ooi Chin Khoon | Ooi Chin Khoon is a director and shareholder of OCK Pte Ltd. He is also a director in Fortress Singapore. | Utility expenses charge to OCK Setia | 6 | 2 | 5 | 5 | ^ | ^ | ^ |
| | | | Salaries and office expenses paid by Fortress Singapore | - | - | - | 132 | - | - | - |

Note:

^ Delicom becomes a wholly-owned subsidiary company of OCK Setia in June 2011.

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Save as disclosed below, our Board confirms that there was no existing or presently provision of financial assistance by our Group to our non-wholly-owned subsidiary companies during the four (4) FYE 31 December 2008 to 2011 and forecast for the FYE 31 December 2012 and 2013:

| Related Party | Interested Promoter/ Director/ Substantial Shareholder/ Key Management/ Key Technical Personnel | Nature of Relationship | Nature of Transaction | Audited | | | | | Forecast | |
|---------------|---|---|--|-------------------|--------|--------|--------|--------|----------|------|
| | | | | As at 31 December | | | | | 2012 | 2013 |
| | | | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | |
| | | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| OCK M&E | • Chong Wai Yew | Chong Wai Yew is a director and was a shareholder of OCK M&E. Chang Tan Chin was a shareholder of OCK M&E. | Provision of financial assistance by OCK Setia | 1,575 | 893 | - | * | * | * | |
| | • Chang Tan Chin | | | | | | | | | |
| Firatef | • Ooi Chin Khoon | Ooi Chin Khoon and Low Hock Keong are the directors of Firatef whereas Lee Kong Jin is a director and a shareholder of Firatef. | Provision of financial assistance by OCK Setia | - | - | - | 874 | 1,000 | 1,000 | |
| | • Low Hock Keong | | | | | | | | | |
| | • Lee Kong Jin | | | | | | | | | |
| EI Power | • Ooi Chin Khoon | Ooi Chin Khoon is a director of EI Power. | Provision of financial assistance by OCK Setia | - | - | 1,479 | 2,798 | 10,000 | 10,000 | |
| Steadcom | • Ooi Chin Khoon | Ooi Chin Khoon is a director Steadcom. | Provision of financial assistance by OCK Setia | - | - | 102 | 748 | 1,000 | 1,000 | |

Note:

* OCK M&E became a wholly-owned subsidiary of OCK Setia in April 2011.

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

All the related party transactions disclosed above would not give rise to any conflict of interest situation and were transacted based on terms which are not unfavourable to our Group. All provision of financial assistance made by our Group to non-wholly owned subsidiary companies are in compliance with Section 133A (2) of the Act.

Upon Listing, our Directors, through our Audit Committee, will ensure that any related party transactions (recurrent inclusive, if any) are carried out on an arm's length basis and are not prejudicial to our Group nor on terms more favourable to the related parties than those normally agreed with other customers or suppliers and are also not to our detriment nor to the detriment of our minority shareholders.

Our Directors and substantial shareholders are also not aware of any other transactions that may give rise to conflict of interest situations between our Group and any of our Directors, substantial shareholders, key management and key technical personnel and/or persons connected with them.

10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITIONS

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party to during the four (4) FYE 31 December 2008 to 2011. Our Directors and substantial shareholders are also not aware of any transaction that is unusual in nature or condition, involving goods, services, tangible or intangible assets, to which our Group was a party.

10.3 INTERESTS IN SIMILAR BUSINESSES, INTERESTS IN BUSINESSES OF OUR CUSTOMERS OR SUPPLIERS AND OTHER CONFLICTS OF INTEREST

Save for Ooi Chin Khoon, Low Hock Keong, Chong Wai Yew and Chang Tan Chin as disclosed in Sections 8.2.3 and 10.1 of this Prospectus, as at the LPD, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in any other businesses and corporations carrying on a trade similar to that of our Group and/or any business or corporations which are also our customers or suppliers of our Group.

Our Board is of the opinion that there is no existing or potential conflict of interest situation arising from the shareholdings and directorships of the Directors and/or substantial shareholders of our Group in the following companies:

- (1) Ooi Chin Khoon and Low Hock Keong were Directors and substantial shareholders of PT OCK, a company incorporated in Indonesia on 27 July 2005 and commenced operations on 2 January 2006. PT OCK is involved in the provision of telecommunications network services in Indonesia. PT OCK is being divested from the Group as other shareholders in PT OCK did not wish to participate in the public issue exercise. As at the LPD, Ooi Chin Khoon and Low Hock Keong have undertaken the processes to resign and divest their entire shareholding in PT OCK.

PT OCK is an Indonesian 'Penanaman Modal Asing' Company ("PMA Company"). As such, in order for any of its shares to be transferred from an existing shareholder of PT OCK to another party, PT OCK is required to observe the procedures below for its shareholders to successfully transfer its shares:

- (i) submit an online application to Kementerian Hukum & Hak Asasi Manusia or Minister of Law and Human Rights ("MLHR");
- (ii) submit the duly executed deed of transfer of shares to MLHR;
- (iii) submit an application to Badan Koordinasi Penanaman Modal ("BKPM"), i.e. to obtain the approval of BKPM for the transfer of shares; and

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (iv) if the PMA Company is in a regulated industry, such as telecommunication, and in the event the licenses and permits issued to the said company, or in if the law requires for the said company to, obtain other governmental approvals, the PMA Company shall make the application to the relevant governmental agency.

In light of the above, the shares in PT OCK held by Ooi Chin Khoon and Low Hock Keong have been transferred to third parties on 16 November 2011 and accordingly, Ooi Chin Khoon and Low Hock Keong no longer have any interest in PT OCK.

The current shareholders of PT OCK have the intention to change the company's name. However, due to administrative procedures with the Indonesian authorities, it can only be done in due course. Further thereto, current contracts and/or purchase orders which bear the existing name have hindered the speed of the amendment.

The Group does not foresee any major impact to OCK's expansion plan into Indonesia, with the existence of PT OCK in Indonesia.

- (2) Ooi Chin Khoon, Chong Wai Yew and Chang Tan Chin, our Promoters are directors and shareholders of Bloom Concept Sdn Bhd. The company is involved in the provision of mechanical and electrical engineering services and supplier of electrical and building components. Ooi Chin Khoon, Chong Wai Yew and Chang Tan Chin have subsequently on 18 November 2011 resigned as Directors in Bloom Concept Sdn Bhd and sold all their shares in the company.

All transactions between our Group and companies mentioned above are arm's length transactions which have been disclosed in Section 10.1 of this Prospectus.

10.4 LOANS MADE BY OUR GROUP TO OR FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, there are no outstanding loans, including guarantees of any kind, made by our Group to or for the benefit of related parties during the four (4) FYE 31 December 2008 to 2011 and up to the LPD.

| Company | Amount due from/ (to) | Nature of Transaction | < --- FYE 31 December --- > | | | | As at LPD |
|-----------|--------------------------------------|--------------------------|-----------------------------|----------------|----------------|----------------|--------------|
| | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | |
| OCK | OCK Setia | Advances | - | - | - | (590) | (913)* |
| | Fortress Singapore | Advances | - | - | - | (13) | (13)* |
| OCK Setia | Ooi Chin Khoon | Advances | (151) | 688 | 509 | (44) | (4) |
| | Fling Rock Studio Sdn Bhd | Advances | - | 48 | 217 | - | - |
| | Bloom Concept Sdn Bhd | Advances | - | 98 | 17 | - | - |
| | OCK Setia Engineering Services | Advances | 10 | 15 | 15 | - | - |
| | OCK Properties | Advances | 50 | 52 | 516 | - | - |
| | PT OCK | Advances | 892 | 913 | 553 | - | - |
| | Kzacom Co Ltd | Advances | 9 | 20 | 26 | - | - |

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

| Company | Amount due from/ (to) | Nature of Transaction | < -- FYE 31 December -- > | | | | As at LPD RM'000 |
|------------|--------------------------------|---------------------------|---------------------------|----------------|----------------|----------------|------------------------|
| | | | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | |
| | OCK Pte Ltd | Advances | - | - | 59 | - | - |
| | Chong Wai Yew | Advances | 30 | 36 | 36 | - | - |
| | Chang Tan Chin | Advances | 10 | 10 | 10 | - | - |
| | Modern Net Sdn Bhd | Trade balances | - | - | 25 | 8 | - |
| | | Advances | - | - | - | (20) | - |
| | OCK Group Bhd | Advances | - | - | - | 590 | - |
| | Prisma Makmur Sdn Bhd | Trade balances | 141 | - | - | - | - |
| | All Star | Advances | 11 | (34) | (145) | # | - |
| | Delicom | Sales to Delicom | 693 | 1,054 | 825 | ^ | - |
| Delicom | Ooi Chin Khoon | Advances | (106) | - | 195 | - | - |
| | Modern Net | Trade balances | - | 15 | - | - | - |
| | Abdul Halim Bin Abdul Hamid | Advances | 1 | - | - | - | - |
| | OCK Setia | Advances | 441 | 738 | 83 | ^ | - |
| | All Star | Advances | 121 | - | - | - | - |
| | OCK M&E | Advances | 120 | - | - | ^ | - |
| OCK M&E | Ooi Chin Khoon | Advances | (5) | (5) | (5) | - | - |
| | Chong Wai Yew | Advances | 4 | 2 | - | - | - |
| | Chang Tan Chin | Advances | 20 | 20 | 20 | - | - |
| | Bloom Concept Sdn Bhd | Advances | - | - | 32 | - | - |
| Steadcom | PT OCK | Advances | - | - | - | - | - |
| Firatel | Modern Net | Sales to Modern Net | - | - | 2 | 2 | - |

Notes:

- * OCK Setia and Fortress Singapore became a wholly-owned subsidiary of OCK on 8 June 2012.
^ Delicom becomes a wholly-owned subsidiary company of OCK Setia during the FYE 31 December 2011.
Ceased to be related party following the disposal of their entire equity interest by Ooi Chin Khoon and Abdul Halim Bin Abdul Hamid.

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)**10.5 DECLARATION BY EXPERTS**

Save as disclosed below, Alliance confirms that there is no existing or potential conflict of interests in its capacity as the Adviser, Sponsor, Underwriter, Joint Underwriter and Placement Agent for our Listing:

Alliance Bank Malaysia Berhad ("Alliance Bank") has extended the following banking facilities to the Directors/shareholders of our Group:

| Type of Facilities | Principal Amount Approved RM'000 | Amount outstanding as at 31-May 2012 RM'000 |
|---|--|---|
| Fu Lit Fung (Independent Non-Executive Director of OCK) - Consumer loan | 300 | - |
| Total | 300 | - |

The abovementioned banking facilities granted by Alliance Bank to our Directors are in the ordinary course of business of Alliance Bank as a financial institution. The proceeds raised from the Public Issue will not be utilised for the purpose of repayment of these banking facilities. As such, Alliance is of the opinion that it will not constitute an existing or potential conflict of interest for Alliance to act as the Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

BTMH confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for our Listing.

Shahrizat Rashid & Lee confirms that there is no existing or potential conflict of interests in its capacity as the Solicitors for our Listing.

Protégé Associates confirms that there is no existing or potential conflict of interests in its capacity as the independent market research consultant for our Listing.

Raine & Horne International Zaki + Partners Sdn Bhd confirms that there is no existing or potential conflict of interests in its capacity as the valuer for our Listing.

HwangDBS confirms that there is no existing or potential conflict of interests in its capacity as the Joint Underwriter for our Listing.

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11. PROFORMA HISTORICAL FINANCIAL INFORMATION

Our proforma consolidated financial information have been compiled based on the basis and accounting policies consistent with those currently adopted by our Group which are set out in the notes and assumptions included in the Reporting Accountants' Letter on Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus. The financial statements used in the preparation of our proforma consolidated financial information were prepared in accordance with approved accounting standards issued by the Malaysian Accounting Standards Board. Any adjustments which were dealt with when preparing our consolidated financial statements have been highlighted and disclosed in Section 11.4 of this Prospectus.

There was no share of profits and losses of associated companies and joint ventures, and exceptional items during the financial years under review. The auditors' reports for our Group for the financial years under review were reported without any audit qualification or modification.

11.1 PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets out our proforma consolidated statements of comprehensive income for the four (4) FYE 31 December 2008 to 2011, which have been prepared for illustrative purposes only based on the assumption that our current Group structure has been in existence throughout the financial years under review.

You should read the summary of our proforma consolidated financial information which has been presented below together with the management's discussion and analysis of financial conditions and results of operations and the Reporting Accountants' Letter on Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

| | <----- Proforma Audited FYE 31 December -----> | | | |
|--|--|----------------|----------------|----------------|
| | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 |
| Revenue | 45,606 | 45,920 | 66,778 | 88,325 |
| Cost of sales | (39,815) | (39,166) | (54,888) | (65,912) |
| Gross profit | 5,791 | 6,754 | 11,890 | 22,413 |
| Other income | 581 | 752 | 748 | 2,299 |
| Administrative expenses | (4,418) | (4,786) | (6,269) | (10,815) |
| Operating profit | 1,954 | 2,720 | 6,369 | 13,897 |
| Finance costs | (1,435) | (1,448) | (1,380) | (1,567) |
| PBT | 519 | 1,272 | 4,989 | 12,330 |
| Taxation | (352) | (471) | (1,473) | (3,130) |
| Net profit for the financial year | 167 | 801 | 3,516 | 9,200 |
| Other comprehensive income, net of tax | - | - | - | 3,420 |
| Total comprehensive income for the financial year | 167 | 801 | 3,516 | 12,620 |
| Profit attributable to: | | | | |
| Owners of OCK | 166 | 789 | 3,378 | 8,523 |
| Non-controlling interests | 1 | 12 | 138 | 677 |
| | 167 | 801 | 3,516 | 9,200 |
| PBT | 519 | 1,272 | 4,989 | 12,330 |
| Depreciation | 790 | 888 | 979 | 1,001 |
| Interest expenses | 1,435 | 1,448 | 1,380 | 1,583 |
| Interest income | - | (13) | (43) | (67) |
| EBITDA | 2,744 | 3,595 | 7,305 | 14,847 |

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | <----- Proforma Audited FYE 31 December -----> | | | |
|---|--|---------|---------|---------|
| | 2008 | 2009 | 2010 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Number of ordinary shares assumed to be in issue of RM0.10 each ('000)* | 184,000 | 184,000 | 184,000 | 184,000 |
| Gross EPS (sen) ** | 0.28 | 0.69 | 2.71 | 6.70 |
| Net EPS (sen) *** | 0.09 | 0.44 | 1.91 | 5.00 |
| GP margin (%) | 12.70 | 14.71 | 17.81 | 25.38 |
| PBT margin (%) | 1.14 | 2.77 | 7.47 | 13.96 |
| PAT margin (%) | 0.37 | 1.74 | 5.27 | 10.42 |
| Effective tax rate (%) | 67.82 | 37.03 | 29.52 | 25.39 |

Notes:

- * Based on the number of Shares in issue after the Acquisition but before our Public Issue.
- ** The gross EPS is computed based on the consolidated PBT divided by the number of Shares in issue after the Acquisitions but before our Public Issue.
- *** The net EPS is computed based on the consolidated PAT divided by the number of Shares in issue after the Acquisitions but before our Public Issue.

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11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

11.2 PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Our proforma consolidated statements of financial position have been prepared for illustrative purpose only, based on our audited statement of financial position as at 31 December 2011 assuming that our Public Issue and utilisation of proceeds had been effected as at that date.

We advise you to read the proforma consolidated statements of financial position presented below together with the notes included in the Reporting Accountants' Letter on Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

| | Proforma Statement of Financial Position as at 31 December 2011 RM'000 | Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000 | Proforma I After the Public Issue RM'000 | Proforma II After Proforma I and the Utilisation of Proceeds RM'000 |
|---|--|---|---|--|
| ASSETS | | | | |
| Non-current Assets | | | | |
| Property, plant and equipment | - | 14,873 | 14,873 | 24,773 |
| Current Assets | | | | |
| Inventories | - | 8,859 | 8,859 | 8,859 |
| Amounts due from customers for contract work | - | 1,672 | 1,672 | 1,672 |
| Trade and other receivables | - | 29,486 | 29,486 | 29,486 |
| Tax recoverable | - | 34 | 34 | 34 |
| Fixed deposits placed with licensed banks | - | 1,255 | 1,255 | 1,255 |
| Cash and bank balances | ^ | 9,749 | 36,749 | 24,849 |
| Total current assets | ^ | 51,055 | 78,055 | 66,155 |
| Total assets | ^ | 65,928 | 92,928 | 90,928 |
| EQUITY AND LIABILITIES | | | | |
| Equity Attributable to Owners of Company | | | | |
| Share capital | ^ | 18,400 | 25,900 | 25,900 |
| Share premium | - | - | 19,500 | 18,885 |
| Revaluation reserve | - | 3,419 | 3,419 | 3,419 |
| Foreign currency translation reserve | - | (4) | (4) | (4) |
| Reserve arising from reverse acquisition | - | (17,007) | (17,007) | (17,007) |
| Retained earnings | (607) | 13,971 | 13,971 | 12,586 |
| | (607) | 18,779 | 45,779 | 43,779 |
| Non-controlling interests | - | 1,137 | 1,137 | 1,137 |
| Total equity | (607) | 19,916 | 46,916 | 44,916 |

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | Proforma Statement of Financial Position as at 31 December 2011 RM'000 | Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000 | Proforma I After the Public Issue RM'000 | Proforma II After Proforma I and the Utilisation of Proceeds RM'000 |
|--|--|---|---|--|
| Non-current Liabilities | | | | |
| Loans and borrowings | - | 6,966 | 6,966 | 6,966 |
| Deferred tax liabilities | - | 339 | 339 | 339 |
| Other payables | 603 | - | - | - |
| Total non-current liabilities | 603 | 7,305 | 7,305 | 7,305 |
| Current Liabilities | | | | |
| Amount due to customers for contract works | - | 148 | 148 | 148 |
| Trade and other payables | 4 | 16,487 | 16,487 | 16,487 |
| Loans and borrowings | - | 20,515 | 20,515 | 20,515 |
| Tax payable | - | 1,557 | 1,557 | 1,557 |
| Total current liabilities | 4 | 38,707 | 38,707 | 38,707 |
| Total liabilities | 607 | 46,012 | 46,012 | 46,012 |
| Total equity and liabilities | ^ | 65,928 | 92,928 | 90,928 |
| Number of ordinary shares assumed to be in issue of RM0.10 each ('000) | # | 184,000 | 259,000 | 259,000 |
| NA per ordinary share (RM) | (30,356.10) | 0.10 | 0.18 | 0.17 |
| NTA per ordinary share (RM) | (30,356.10) | 0.10 | 0.18 | 0.17 |

Notes:

- ^ RM2 comprising twenty (20) OCK Shares of RM0.10 each.
Twenty (20) OCK Shares of RM0.10 each.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**11.3 PROFORMA CONSOLIDATED STATEMENTS OF CASH FLOWS**

Our proforma consolidated statement of cash flows for the FYE 31 December 2011 as set out below has been prepared for illustrative purposes only, based on our audited financial statement for the FYE 31 December 2011, after incorporating such adjustments necessary for the elimination of all intercompany transactions and balances and on the assumption that our Group's current structure had been in existence since 1 January 2011.

| | Proforma FYE 31 December 2011 RM'000 |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Profit before taxation | |
| - continuing operations | 12,330 |
| Adjustments for: | |
| Allowance for doubtful debts | 269 |
| Gain on disposal of: | |
| - property, plant and equipment | (547) |
| - assets held for sale | (678) |
| Depreciation of property, plant and equipment | 1,001 |
| Reversal in impairment losses | (33) |
| Unrealised loss on foreign currency exchange | 15 |
| Interest income | (67) |
| Interest expenses | 1,583 |
| Operating profit before working capital changes | 13,873 |
| Changes in working capital: | |
| Inventories | (4,706) |
| Receivables | (5,576) |
| Payables | 1,581 |
| Amount due from/to contract customers | (1,590) |
| Net cash generated from operations | 3,582 |
| Income tax paid | (2,694) |
| Interests received | 67 |
| Interests paid | (17) |
| Net operating cash flows | 938 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from disposal of property, plant and equipment | 1,044 |
| Purchase of property, plant and equipment | (882) |
| Proceeds from disposal of assets held for sale | 1,028 |
| Acquisitions of additional equity interest in subsidiary companies from non-controlling interests | (50) |
| Acquisitions of subsidiary companies - payments to former shareholders of the subsidiary companies | (840) |
| Net investing cash flows | 300 |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Interests paid | (1,566) |
| Dividend paid to non-controlling interests | (20) |
| Fixed deposit held as security values | 17 |
| Net change in directors' accounts | 549 |

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

| | Proforma FYE 31 December 2011 RM'000 |
|--|---|
| Repayment to short term borrowings | (19,274) |
| Drawdown of revolving project loan | 23,410 |
| Repayment to hire purchase payables | (416) |
| Drawdown of term loans | 291 |
| Repayment to term loans | (366) |
| Proceeds from issuance of shares | ^ |
| Net financing cash flows | <u>2,625</u> |
| Net change in cash and cash equivalents | 3,863 |
| Effects of exchange rate changes | (1) |
| Cash and cash equivalents at the beginning of the financial year | <u>5,347</u> |
| Cash and cash equivalents at the end of the financial year | <u>9,209</u> |

Notes:

^ RM2.

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11. **PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**

11.4 **REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

18 JUN 2012

The Board of Directors
OCK Group Berhad
24-3 Jalan Tun Sambanthan 3
50470 Kuala Lumpur
Malaysia



**BAKER TILLY
MONTEIRO HENG**

BAKER TILLY MONTEIRO HENG
Chartered Accountants (AF 0117)
Monteiro & Heng Chambers
22 Jalan Tun Sambanthan 3
50470 Kuala Lumpur, Malaysia
phone : +603 2274 8988
fax : +603 2260 1708
email : info@bakertillymh.com.my
www.bakertillymh.com.my

Dear Sirs,

STRICTLY CONFIDENTIAL

**OCK GROUP BERHAD
PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

We have reviewed the proforma consolidated financial information of OCK Group Berhad ("OCK") and its subsidiary companies (hereinafter collectively referred to as ("OCK Group")) for the four (4) financial years ended 31 December 2008 ("FYE 2008"), 31 December 2009 ("FYE 2009"), 31 December 2010 ("FYE 2010") and 31 December 2011 ("FYE 2011") together with the accompanying notes thereto, for which the directors of OCK are solely responsible, as set out in the accompanying statements, which we have stamped for the purpose of identification.

The proforma consolidated financial information of the OCK Group has been prepared for illustrative purposes only for inclusion in the prospectus of OCK in connection with the listing of and quotation for the entire enlarged issued and paid-up share capital of OCK on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing"), after making certain assumptions and such adjustments to show the effects on:-

- (a) the financial results of the OCK Group for the past four (4) FYE 2008, FYE 2009, FYE 2010 and FYE 2011 on the basis that the group structure as of the date of the Prospectus had been in existence since the beginning of the financial years under review adjusted for the transactions as described in Note 3.7 but before the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- (b) the financial position of the OCK Group as at 31 December 2011 together with the accompanying notes on the basis that the group structure as of the date of the Prospectus had been in place on that date adjusted for the transactions as described in Note 3.7, but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- (c) the cash flows of the OCK Group for the FYE 2011 on the basis that the group structure as of the date of the Prospectus had been in existence throughout the FYE 2011 adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information; and
- (d) the financial position of the OCK Group as at 31 December 2011 adjusted for the transactions as described in Note 3.7, the Public Issue and the utilisation of listing proceeds as described in Note 2.1 and Note 7.2.3 of the proforma consolidated financial information respectively.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCC GROUP BERHAD****Proforma Consolidated Financial Information**

Our responsibility is to form an opinion on the proforma consolidated financial information prepared by the directors in accordance with the requirements of the *Prospectus Guidelines – Equity and Debt* issued by the Securities Commission and report to you based on our work. In providing this opinion, we are not updating or re-issuing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated financial information, nor do we accept the responsibility for such reports or opinions beyond that is owed to those to whom those letter or opinions were addressed to by us at the date of their issue.

We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, *ISAE 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our work consisted primarily comparing the proforma consolidated financial information to the following audited financial statements of the OCC Group, unless otherwise stated below, and considering and discussing the necessary adjustments and the proforma consolidated financial information with the responsible officers of the OCC Group:-

| Company Name | FYE 2008 | FYE 2009 | FYE 2010 | FYE 2011 |
|--|-----------------------------------|-----------------------------------|---|--|
| OCC | Not applicable ^v | Not applicable ^v | Not applicable ^s | From 5 August 2011 (date of incorporation) to 31 December 2011 |
| OCC Setia Engineering Sdn Bhd (“OCC Setia”) [#] | FYE 31 December 2008 [*] | FYE 31 December 2009 [*] | FYE 31 December 2010 | FYE 31 December 2011 |
| Delicom Sdn Bhd (“Delicom”) [§] | FYE 31 December 2008 ^o | FYE 31 December 2009 ^o | FYE 31 December 2010 ^o | FYE 31 December 2011 |
| OCC M&E Sdn Bhd (“OCC M&E”) [§] | FYE 31 December 2008 [*] | FYE 31 December 2009 [*] | FYE 31 December 2010 | FYE 31 December 2011 |
| Firatel Sdn Bhd (“Firatel”) ^o | FYE 31 December 2008 [*] | FYE 31 December 2009 [*] | FYE 31 December 2010 | FYE 31 December 2011 |
| Steadcom Sdn Bhd (“Steadcom”) ^o | Not applicable ¹ | Not applicable ¹ | From 12 March 2010 (date of incorporation) to 31 December 2010 | FYE 31 December 2011 |
| EI Power Technologies Sdn Bhd (“EI Power”) ^o | Not applicable ¹ | Not applicable ¹ | From 3 September 2010 (date of incorporation) to 31 December 2010 | FYE 31 December 2011 |

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

| Company Name | FYE 2008 | FYE 2009 | FYE 2010 | FYE 2011 |
|---|-----------------|-----------------|-----------------|---|
| Fortress Pte Ltd ("Fortress Singapore") ^{§v} | Not applicable* | Not applicable* | Not applicable* | From 7 March 2011 (date of incorporation) to 31 December 2011 |
| Fortress Distribution Sdn Bhd ("Fortress Malaysia") [@] | Not applicable* | Not applicable* | Not applicable* | From 23 June 2011 (date of incorporation) to 31 December 2011 |

¥ Not applicable as these companies have yet to be incorporated.

It is a wholly-owned subsidiary company of OCK.

§ These companies are wholly-owned subsidiary companies of OCK Setia.

& A 51% owned subsidiary company of OCK Setia.

μ A 52% owned subsidiary company of OCK Setia.

© A 61% owned subsidiary company of OCK Setia.

@ A 100% owned subsidiary company of Fortress Singapore.

* Audited by Messrs Halim Ahmad & Co.

√ The audited financial statements for the financial period under review were audited by a firm of Public Accountants and Certified Public Accountants other than Messrs Baker Tilly Monteiro Heng. The audited financial statements of Fortress Singapore for the financial period under review have been prepared in compliance with the Singapore Financial Reporting Standards. However, there were no material impact on the financial statements of Fortress Singapore for the financial period under review on the conversion to the Financial Reporting Standards in Malaysia.

∞ The audited financial statements of Delicom for the FYE 30 April 2008, FYE 30 April 2009 and FYE 30 April 2010 had been prepared for statutory filing purposes, which have been prepared in different year ends with other companies within the OCK Group. In compliance with Circular 41/2010 issued by the Malaysian Institute of Accountants in respect of the Preparation of the Historical Proforma Financial Information, Messrs Baker Tilly Monteiro Heng had been appointed by OCK to perform re-audit on the financial statements of Delicom for the FYE 31 December 2008, FYE 31 December 2009 and FYE 31 December 2010 in order to have same financial year end with other companies within the OCK Group.

We plan and perform our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated financial information of the OCK Group have been properly prepared on the basis set out in the accompanying notes to the proforma consolidated financial information based on the proforma financial statements of OCK and the audited financial statements of its subsidiary companies for the four (4) FYE 2008, FYE 2009, FYE 2010 and FYE 2011 which have been prepared in accordance with the Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by OCK Setia in the preparation of its audited consolidation financial statements for the FYE 2011, which had been adopted by OCK as its group accounting policies.

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information

Our work involved no independent examination of any of the underlying financial information other than our audit of the financial statements of OCK Setia, Steadcom, EI Power, Delicom, Firatel and OCK M&E for the FYE 2010 and FYE 2011 and the financial statements of OCK and Fortress Malaysia for the FYE 2011, which have been drawn up by the directors in accordance with the Financial Reporting Standards in Malaysia, and reported to the members of the respective subsidiary companies without any modifications.

The audited financial statements of its subsidiary companies for the financial years under review were reported by the auditors to their respective members without any modifications.


As the proforma consolidated financial information of the OCK Group has been prepared for illustrative purposes only, such information may not, because of its nature, give a true picture of the actual financial position and the results of the OCK Group and does not purport to predict the future financial position and results of the OCK Group.

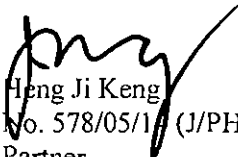
In our opinion:-

- (i) the proforma consolidated financial information of the OCK Group have been properly prepared on the basis set out in the accompanying notes to the proforma consolidated financial information based on the proforma financial statements of OCK and the audited financial statements of its subsidiary companies for the four (4) FYE 2008, FYE 2009, FYE 2010 and FYE 2011 which have been prepared in accordance with the Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by OCK Setia in the preparation of its audited consolidated financial statements for the FYE 2011, which had been adopted by OCK as its group accounting policies; and
- (ii) the adjustments made to the information used in the preparation of the proforma consolidated financial information of the OCK Group are appropriate for the purposes of preparing the proforma consolidated financial information.

This letter has been prepared for inclusion in the prospectus of OCK in connection with the Listing and is not to be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,


Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants


Heng Ji Keng
No. 578/05/1 (J/PH)
Partner

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. INTRODUCTION**

1.1 The proforma consolidated financial information of OCK Group Berhad ("OCK") and its subsidiary companies (hereinafter collectively referred to as "OCK Group"), for which the directors of the OCK are solely responsible, has been prepared for illustrative purposes only, for inclusion in the prospectus of the OCK Group ("Prospectus") in connection with the listing of and quotation for the entire enlarged issued and paid-up share capital of OCK on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The proforma consolidated financial information may not, because of its nature, give a true picture of the actual financial position and results of the OCK Group and does not purport to predict the future financial position and results of the OCK Group.

1.2 The proforma consolidated financial information comprises the following:-

- Section 4 : Proforma consolidated statements of comprehensive income for the past four (4) financial years ended 31 December 2008 ("FYE 2008"), 31 December 2009 ("FYE 2009"), 31 December 2010 ("FYE 2010") and 31 December 2011 ("FYE 2011") of the OCK Group on the basis that the group structure as of the date of the Prospectus had been in existence since the beginning of the financial years under review adjusted for the transactions as described in Note 3.7 but before the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- Section 5 : Proforma consolidated statement of financial position as at 31 December 2011 of the OCK Group together with the accompanying notes on the basis that the group structure as of the date of the Prospectus had been in place on that date adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- Section 6 : Proforma consolidated statement of cash flows of the OCK Group for the FYE 2011 on the basis that the group structure as of the date of the Prospectus had been in existence throughout the FYE 2011 adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information; and
- Section 7 : Proforma consolidated statements of financial position of the OCK Group as at 31 December 2011, adjusted for the transactions as described in Note 3.7, the Public Issue and the utilisation of listing proceeds as described in Note 2.1 and Note 7.2.3 of the proforma consolidated financial information respectively.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

2. LISTING SCHEME

OCK is undertaking a listing of and quotation for its entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities. The listing scheme comprises the following:-

2.1 Public Issue

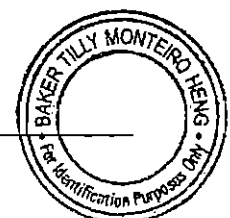
In conjunction with the Listing as described in Note 2.2, OCK had undertaken the Public Issue of 75,000,000 new ordinary shares of RM0.10 each in OCK ("OCK Share(s)") to be allocated in the following manner:-

- (a) 7,000,000 new OCK Shares, representing approximately 2.70% of the enlarged issued and paid-up share capital, will be made available for application by the Malaysia Public, of which at least 50% is to be set aside for Bumiputera investors including individuals, companies, societies, co-operatives and institutions;
- (b) 9,500,000 new OCK Shares, representing approximately 3.67% of the enlarged issued and paid-up share capital, will be made available for application by the eligible employees of the OCK Group and persons who have contributed to the success of the OCK Group; and
- (c) 58,500,000 new OCK Shares, representing approximately 22.59% of the enlarged issued and paid-up share capital, will be made available for application by way of placement to selected investors.

(Collectively hereinafter referred to as "the Public Issue")

2.2 Listing

Upon completion of the Public Issue, OCK will seek the listing of and quotation for its entire enlarged issued and paid-up share capital of RM25,900,000 comprising 259,000,000 OCK Shares on the ACE Market of Bursa Securities ("Listing").



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD****Proforma Consolidated Financial Information****3. BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

3.1 The proforma consolidated financial information has been prepared to illustrate that:-

- a) the financial results of the OCK Group for the past four (4) FYE 2008, FYE 2009, FYE 2010 and FYE 2011 on the basis that the group structure as of the date of the Prospectus had been in existence since the beginning of the financial years under review adjusted for the transactions as described in Note 3.7 but before the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- b) the financial position of the OCK Group as at 31 December 2011 together with the accompanying notes on the basis that the group structure as of the date of the Prospectus had been in place on that date adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information;
- c) the cash flows of the OCK Group for the FYE 2011 on the basis that the group structure as of the date of the Prospectus had been in existence throughout the FYE 2011 adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information; and
- d) the financial position of the OCK Group as at 31 December 2011, adjusted for the transactions as described in Note 3.7, the Public Issue and the utilisation of listing proceeds as described in Note 2.1 and Note 7.2.3 of the proforma consolidated financial information respectively.

3.2 Other than as stated below, the proforma consolidated financial information has been prepared based on the following audited financial statements of the OCK Group:-

| Company Name | FYE 2008 | FYE 2009 | FYE 2010 | FYE 2011 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--|
| OCK | Not applicable [¶] | Not applicable [¶] | Not applicable [¶] | From 5 August 2011 (date of incorporation) to 31 December 2011 |
| OCK Setia Engineering Sdn Bhd ("OCK Setia") [#] | FYE 31 December 2008 | FYE 31 December 2009 | FYE 31 December 2010 | FYE 31 December 2011 |
| Delicom Sdn Bhd ("Delicom") [§] | FYE 31 December 2008 [¶] | FYE 31 December 2009 [¶] | FYE 31 December 2010 [¶] | FYE 31 December 2011 |
| OCK M&E Sdn Bhd ("OCK M&E") [§] | FYE 31 December 2008 | FYE 31 December 2009 | FYE 31 December 2010 | FYE 31 December 2011 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD

Proforma Consolidated Financial Information

3. BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (Continued)

3.2 (Continued)

| Company Name | FYE 2008 | FYE 2009 | FYE 2010 | FYE 2011 |
|--|-----------------------------|-----------------------------|---|---|
| Firatel Sdn Bhd ("Firatel") [©] | FYE 31 December 2008 | FYE 31 December 2009 | FYE 31 December 2010 | FYE 31 December 2011 |
| Steadcom Sdn Bhd ("Steadcom") ^{&} | Not applicable [¥] | Not applicable [¥] | From 12 March 2010 (date of incorporation) to 31 December 2010 | FYE 31 December 2011 |
| EI Power Technologies Sdn Bhd ("EI Power") [#] | Not applicable [¥] | Not applicable [¥] | From 3 September 2010 (date of incorporation) to 31 December 2010 | FYE 31 December 2011 |
| Fortress Pte Ltd ("Fortress Singapore") [§] | Not applicable [¥] | Not applicable [¥] | Not applicable [¥] | From 7 March 2011 (date of incorporation) to 31 December 2011 |
| Fortress Distribution Sdn Bhd ("Fortress Malaysia") [@] | Not applicable [¥] | Not applicable [¥] | Not applicable [¥] | From 23 June 2011 (date of incorporation) to 31 December 2011 |

¥ Not applicable as these companies have yet to be incorporated.

It is a wholly-owned subsidiary company of OCK.

§ These companies are wholly-owned subsidiary companies of OCK Setia.

& A 51% owned subsidiary company of OCK Setia.

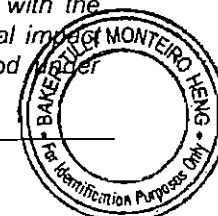
μ A 52% owned subsidiary company of OCK Setia.

© A 61% owned subsidiary company of OCK Setia.

@ A 100% owned subsidiary company of Fortress Singapore.

* Audited by Messrs Halim Ahmad & Co.

∨ The audited financial statements for the financial period under review were audited by a firm of Public Accountants and Certified Public Accountants other than Messrs Baker Tilly Monteiro Heng. The audited financial statements of Fortress Singapore for the financial period under review have been prepared in compliance with the Singapore Financial Reporting Standards. However, there were no material impact on the financial statements of Fortress Singapore for the financial period under review on the conversion to the Financial Reporting Standards in Malaysia.



11. **PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**

OCK GROUP BERHAD
Proforma Consolidated Financial Information

3. **BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (Continued)**

3.2 (Continued)

[∞] *The audited financial statements of Delicom for the FYE 30 April 2008, FYE 30 April 2009 and FYE 30 April 2010 had been prepared for statutory filing purposes, which have been prepared in different year ends with other companies within the OCK Group. In compliance with Circular 41/2010 issued by the Malaysian Institute of Accountants in respect of the Preparation of the Historical Proforma Financial Information, Messrs Baker Tilly Monteiro Heng had been appointed by OCK to perform re-audit on the financial statements of Delicom for the FYE 31 December 2008, FYE 31 December 2009 and FYE 31 December 2010 in order to have same financial year end with other companies within the OCK Group.*

3.3 The audited financial statements of the subsidiary companies of OCK for the financial years under review were reported by the auditors to their respective members without any modifications.

3.4 The proforma consolidated financial information of the OCK Group has been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the OCK Group and does not purport to predict the future financial position and results of the OCK Group.

3.5 The proforma consolidated financial information of the OCK Group have been properly prepared on the basis set out in the accompanying notes to the proforma consolidated financial information based on the proforma financial statements of OCK and the audited financial statements of its subsidiary companies for the past four (4) FYE 2008, FYE 2009, FYE 2010, FYE 2011 which have been prepared in accordance with the Financial Reporting Standards in Malaysia.

3.6 The financial information of the OCK Group is measured using the currency of the primary economic environment in which the OCK Group operates. The functional and presentation currency of the OCK Group is Ringgit Malaysia ("RM"). For the preparation of this report, the financial information of Fortress Singapore, a wholly-owned subsidiary company of OCK Setia, which was prepared in Singapore Dollars ("SGD") has been converted to Ringgit Malaysia ("RM") for information purpose only.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**3. BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (Continued)****3.6 (Continued)**

The exchange rates used for the purpose of this report are as follows:-

- (i) Statements of Comprehensive Income (based on an average of the exchange rates on the last day of each month during the financial years under review)

| FYE | Exchange Rate (RM/SGD1) |
|----------------------|--------------------------------|
| FYE 31 December 2008 | N/A |
| FYE 31 December 2009 | N/A |
| FYE 31 December 2010 | N/A |
| FYE 31 December 2011 | 2.4460 |

N/A - Not applicable as Fortress Singapore was only incorporated on 7 March 2011.

(Source: Bank Negara Malaysia)

- (ii) Statements of Financial Position (based on the closing rates at the respective reporting dates)

| Reporting Date | Exchange Rate (RM/SGD1) |
|-----------------------|--------------------------------|
| FYE 31 December 2008 | N/A |
| FYE 31 December 2009 | N/A |
| FYE 31 December 2010 | N/A |
| FYE 31 December 2011 | 2.4373 |

N/A - Not applicable as Fortress Singapore was only incorporated on 7 March 2011.

(Source: Bank Negara Malaysia)

- 3.7 In connection with the Listing, OCK undertook the following transactions prior to the Public Issue as described in Note 2.1 and the proforma consolidated financial information has been presented after adjusting for the following transactions:-

(a) **Movement in Authorised Share Capital of OCK**

On 8 June 2012, the authorised share capital was increased from RM100,000 to RM50,000,000 by the creation of 499,000,000 OCK Shares.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

3. BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (Continued)

3.7 (Continued)

(b) Acquisition of OCK Setia

On 31 October 2011, OCK had entered into a conditional share sale agreement to acquire the entire equity interest in OCK Setia of RM2,000,002 comprising 2,000,002 ordinary shares of RM1.00 each for a total purchase consideration of RM18,399,998 to be satisfied by the issuance of 183,999,980 OCK Shares at an issue price of RM0.10 per OCK Share ("the Acquisition of OCK Setia"). The Acquisition of OCK Setia was completed on 8 June 2012 and OCK Setia becomes a wholly-owned subsidiary company of OCK.

The directors of OCK have made a significant judgement that the business combination has been accounted for as a reverse acquisition using the purchase method of accounting under *Financial Reporting Standard 3 Business Combination* ("FRS 3") as in substance OCK Setia, is the accounting acquirer. Under the reverse acquisition accounting, although legally OCK is regarded as the legal parent and OCK Setia is regarded as the legal subsidiary company, OCK Setia should be identified as the acquirer in accordance with FRS 3 as it has the power to govern the financial and operating policies of OCK so as to obtain benefits from its activities. Accordingly, the consolidated financial statements of the OCK Group prepared following a reverse acquisition represent a continuation of the financial statements of OCK Setia (the legal subsidiary company and the acquirer for accounting purposes). Under the reverse acquisition accounting:-

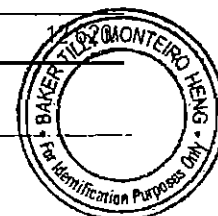
- (i) the assets and liabilities of the accounting acquirer, OCK Setia, are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- (ii) the retained earnings and other equity balances of OCK Setia and its subsidiaries immediately before the business combination are those of the OCK Group; and
- (iii) the equity structure, however, reflects the equity structure of OCK, including the equity instruments issued to effect the business combination.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**4. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF THE OCK GROUP**

4.1 The proforma consolidated statements of comprehensive income of the OCK Group for the four (4) FYE 2008, FYE 2009, FYE 2010 and FYE 2011 as set out below, for which the directors of OCK are solely responsible, have been prepared for illustrative purposes only and have been prepared on the assumption that the OCK Group has been in existence throughout the financial years and are to be read in conjunction with the notes thereto.

| | FYE 2008 RM'000 | FYE 2009 RM'000 | FYE 2010 RM'000 | FYE 2011 RM'000 |
|---|--------------------|--------------------|--------------------|--------------------|
| Revenue | 45,606 | 45,920 | 66,778 | 88,325 |
| Cost of sales | (39,815) | (39,166) | (54,888) | (65,912) |
| Gross profit | 5,791 | 6,754 | 11,890 | 22,413 |
| Other income | 581 | 752 | 748 | 2,299 |
| Administrative expenses | (4,418) | (4,786) | (6,269) | (10,815) |
| Operating profit | 1,954 | 2,720 | 6,369 | 13,897 |
| Finance costs | (1,435) | (1,448) | (1,380) | (1,567) |
| Profit before tax | 519 | 1,272 | 4,989 | 12,330 |
| Income tax expense | (352) | (471) | (1,473) | (3,130) |
| Net profit for the financial year | 167 | 801 | 3,516 | 9,200 |
| Other comprehensive income | | | | |
| Revaluation of leasehold land and building | - | - | - | 3,599 |
| Foreign currency translation | - | - | - | 1 |
| Income tax relate to the components of the comprehensive income | - | - | - | (180) |
| Other comprehensive income, net of tax | - | - | - | 3,420 |
| Total comprehensive income for the financial year | 167 | 801 | 3,516 | 12,620 |
| Profit attributable to: | | | | |
| Owners of OCK | 166 | 789 | 3,378 | 8,523 |
| Non-controlling interests | 1 | 12 | 138 | 677 |
| | 167 | 801 | 3,516 | 9,200 |
| Total comprehensive income attributable to: | | | | |
| Owners of OCK | 166 | 789 | 3,378 | 11,943 |
| Non-controlling interests | 1 | 12 | 138 | 677 |
| | 167 | 801 | 3,516 | 12,620 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**4. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF THE OCK GROUP (Continued)**

4.1 (Continued)

| | FYE 2008 RM'000 | FYE 2009 RM'000 | FYE 2010 RM'000 | FYE 2011 RM'000 |
|--|--------------------|--------------------|--------------------|--------------------|
| Profit before tax | 519 | 1,272 | 4,989 | 12,330 |
| Depreciation | 790 | 888 | 979 | 1,001 |
| Interest expenses | 1,435 | 1,448 | 1,380 | 1,583 |
| Interest income | - | (13) | (43) | (67) |
| Earning before interests, tax, depreciation and amortisation | 2,744 | 3,595 | 7,305 | 14,847 |
| Effective tax rate (%) | 67.82 | 37.03 | 29.52 | 25.39 |
| Gross profit margin (%) | 12.70 | 14.71 | 17.81 | 25.38 |
| Pretax margin (%) | 1.14 | 2.77 | 7.47 | 13.96 |
| Profit after tax margin (%) | 0.37 | 1.74 | 5.27 | 10.42 |
| Number of ordinary shares assumed to be in issue of RM0.10 each ('000)* | 184,000 | 184,000 | 184,000 | 184,000 |
| Gross earnings per share ("EPS) (sen) | 0.28 | 0.69 | 2.71 | 6.70 |
| Net EPS (sen) | 0.09 | 0.44 | 1.91 | 5.00 |

* Number of OCK Shares in issue after the Acquisition of OCK Setia but prior to the Public Issue.

4.2 Notes to the proforma consolidated statements of comprehensive income are as follows:-

4.2.1 **Basis of Preparation**

The proforma consolidated statements of comprehensive income of the OCK Group are prepared for illustrative purposes only and have been presented on the assumption that the OCK Group has been in existence since 1 January 2008 and throughout the financial years under review. There are no fair value adjustments relating to the net assets acquired during the financial years under review based on the assumption that the OCK Group has been in existence since 1 January 2008. These proforma consolidated statements of comprehensive income are based on the audited financial statements of the OCK Group as mentioned in Note 3.2.

4.2.2 The audited financial statements of Delicom for the FYE 30 April 2008, FYE 30 April 2009 and FYE 30 April 2010 had been prepared and audited for statutory filing purposes, which have been prepared in different durations with other companies within the OCK Group. In compliance with Circular 41/2010 issued by the Malaysian Institute of Accountants in respect of the Preparation of the Historical Proforma Financial Information, Messrs Baker Tilly Monteiro Heng had been appointed by OCK to perform re-audit on the financial statements of Delicom for the FYE 31 December 2008, FYE 31 December 2009 and FYE 31 December 2010 in order to have same financial year with the other companies within the OCK Group.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

4. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF THE OCK GROUP (Continued)

4.2 (Continued)

4.2.3 The proforma consolidated statements of comprehensive income for the financial years under review have been prepared based on the accounting policies consistent with those adopted in the preparation of the audited financial statements of OCK Setia for the FYE 2011, which have been adopted by OCK as the group accounting policies for the respective financial years.

4.2.4 There were no exceptional items in all the financial years under review.

4.2.5 The issued and paid-up share capital of OCK of 184,000,000 Shares is after adjusting for the Acquisition of OCK Setia as described in Note 3.7(b) but prior to the Public Issue.

4.2.6 The gross EPS is computed as profit before tax over the number of OCK Shares after adjusting for the Acquisition of OCK Setia as described in Note 3.7(b) but prior to the Public Issue.

4.2.7 The net EPS is computed as net profit for the years over the number of OCK Shares after adjusting for the Acquisition of OCK Setia as described in Note 3.7(b) but prior to the Public Issue.

4.2.8 No diluted EPS is shown as there were no potential dilutive shares in issue during the financial years under review.

4.2.9 All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.

4.2.10 There were no share of results by associates or joint ventures during the financial years under review.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information
5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP

5.1 The proforma consolidated statement of financial position of the OCK Group as set out below, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the proforma statement of financial position of OCK as at 31 December 2011 adjusted for the transactions as described in Note 3.7 but prior to the Public Issue as described in Notes 2.1 of the proforma consolidated financial information been effected on that date, and should be read in conjunction with the notes accompanying thereto.

| | Note | OCK Group As at 31 December 2011 RM'000 |
|---|----------|--|
| Non-current asset | | |
| Property, plant and equipment | 5.2.3(a) | 14,873 |
| Current assets | | |
| Inventories | 5.2.3(b) | 8,859 |
| Amounts due from customers for contract works | 5.2.3(c) | 1,672 |
| Trade and other receivables | 5.2.3(d) | 29,486 |
| Tax recoverable | | 34 |
| Fixed deposits placed with licensed banks | 5.2.3(e) | 1,255 |
| Cash and bank balances | 5.2.3(f) | 9,749 |
| Total current assets | | 51,055 |
| TOTAL ASSETS | | 65,928 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of OCK | | |
| Share capital | 5.2.3(g) | 18,400 |
| Revaluation reserve | 5.2.3(h) | 3,419 |
| Foreign currency translation reserve | 5.2.3(i) | (4) |
| Reserve arising from the reverse acquisition | 5.2.3(j) | (17,007) |
| Retained earnings | | 13,971 |
| | | 18,779 |
| Non-controlling interests | | 1,137 |
| Total equity | | 19,916 |
| Non-current liabilities | | |
| Loans and borrowings | 5.2.3(k) | 6,966 |
| Deferred tax liabilities | 5.2.3(l) | 339 |
| Total non-current liabilities | | 7,305 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.1 (Continued)

| | Note | OCK Group As at 31 December 2011 RM'000 |
|---|----------|--|
| Current liabilities | | |
| Amounts due to customers for contract works | 5.2.3(c) | 148 |
| Trade and other payables | 5.2.3(o) | 16,487 |
| Loans and borrowings | 5.2.3(k) | 20,515 |
| Tax payable | | 1,557 |
| Total current liabilities | | 38,707 |
| Total liabilities | | 46,012 |
| TOTAL EQUITY AND LIABILITIES | | 65,928 |
| Proforma net assets per ordinary share attributable to the owners of OCK (RM) | 5.2.3(u) | 0.10 |

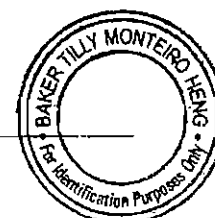


11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)****5.2 Notes to the Proforma Consolidated Statement of Financial Position of the OCK Group****5.2.1 Basis of Preparation and Consolidation**

The proforma consolidated statements of financial position of the OCK Group as at 31 December 2011 is prepared based on the following basis:-

| | | |
|--------------------|---|---|
| OCK | : | Audited statement of financial position as at 31 December 2011. |
| OCK Setia | : | Audited statement of financial position as at 31 December 2011. |
| Delicom | : | Audited statement of financial position as at 31 December 2011. |
| OCK M&E | : | Audited statement of financial position as at 31 December 2011. |
| Firatel | : | Audited statement of financial position as at 31 December 2011. |
| Steadcom | : | Audited statement of financial position as at 31 December 2011. |
| EI Power | : | Audited statement of financial position as at 31 December 2011. |
| Fortress Singapore | : | Audited statement of financial position as at 31 December 2011. |
| Fortress Malaysia | : | Audited statement of financial position as at 31 December 2011. |

5.2.2 The proforma consolidated statements of financial position of the OCK Group has been prepared based on the accounting policies consistent with those adopted in the preparation of the audited financial statements of OCK Setia for the FYE 2011, which have been adopted by OCK as the group accounting.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 The proforma consolidated statements of financial position of the OCK Group should be read in conjunction with the notes below:-

(a) Property, Plant and Equipment

| OCK Group | Cost/ Valuation RM'000 | Accumulated Depreciation RM'000 | Carrying Amount RM'000 |
|-------------------------------|------------------------------|---------------------------------------|------------------------------|
| As at 31 December 2011 | | | |
| Leasehold land and building | 3,790 | 11 | 3,779 |
| Freehold land and building | 7,840 | 26 | 7,814 |
| Furniture and fittings | 223 | 79 | 144 |
| Computer and software | 1,157 | 855 | 302 |
| Office equipment | 701 | 236 | 465 |
| Motor vehicles | 3,118 | 2,044 | 1,074 |
| Renovation Equipment | 80 1,549 | 26 308 | 54 1,241 |
| | 18,458 | 3,585 | 14,873 |

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

| OCK Group | As at 31 December 2011 RM'000 |
|----------------|-------------------------------------|
| Equipments | 869 |
| Motor vehicles | 1,074 |
| | 1,943 |

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

| OCK Group | As at 31 December 2011 RM'000 |
|-----------------------------|-------------------------------------|
| Leasehold land and building | 3,779 |
| Freehold land and building | 7,814 |
| | 11,593 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(a) Property, Plant and Equipment (Continued)

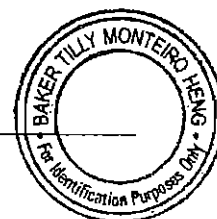
- (iii) Land and buildings have been revalued at the reporting date based on valuations performed by accredited independent valuers. The valuations are based on the comparison and cost method that makes reference to comparable properties were transacted within reasonable time frame, close proximity and similar nature of properties.

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

| | As at 31 December 2011 RM'000 |
|-----------------------------|-------------------------------------|
| OCK Group | |
| Leasehold land and building | |
| - Cost | 2,425 |
| - Accumulated depreciation | (126) |
| - Net carrying amount | <u>2,299</u> |
| | |
| Freehold land and building | |
| - Cost | 6,200 |
| - Accumulated depreciation | (496) |
| - Net carrying amount | <u>5,704</u> |

(b) Inventories

| | As at 31 December 2011 RM'000 |
|------------------|-------------------------------------|
| OCK Group | |
| At cost | |
| Raw materials | 2,475 |
| Work-in-progress | 5,766 |
| Finished goods | 545 |
| Goods in transit | 73 |
| | <u>8,859</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

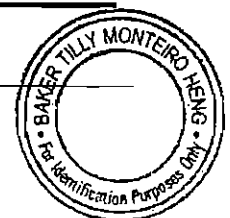
5.2.3 (Continued)

(c) Amount Due From/(To) Customers for Contract Works

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Aggregate costs incurred to date | 5,788 |
| Recognised profits less recognised losses | 643 |
| | <u>6,431</u> |
| Progress billings | (4,907) |
| Net amount due from/(to) customers for contract works | <u>1,524</u> |
| Amount due from customers for contract works included in current assets | 1,672 |
| Amount due to customers for contract works included in current liabilities | (148) |
| | <u>1,524</u> |
| Construction contract costs recognised as contract expenses during the financial year | <u>1,726</u> |
| Construction contract revenue recognised as contract revenue during the financial year | <u>2,159</u> |

(d) Trade and Other Receivables

| | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| OCK Group | |
| Trade receivables | 24,231 |
| Less: Allowance for impairment | (269) |
| Retention sum | 300 |
| | <u>24,262</u> |
| Other receivables | |
| Other receivables | 2,595 |
| Deposits | 339 |
| Prepayments | 2,290 |
| | <u>5,224</u> |
| Total trade and other receivables | 29,486 |
| Fixed deposits placed with licensed banks (Note 5.2.3(e)) | 1,255 |
| Cash and bank balances (Note 5.2.3(f)) | 9,749 |
| Total loans and receivables | <u>40,490</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(d) Trade and Other Receivables (Continued)

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

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

| | As at 31 December 2011 RM'000 |
|----------------------|-------------------------------------|
| OCK Group | |
| Singapore Dollar | 15 |
| United States Dollar | 219 |
| Ringgit Malaysia | 23,997 |
| | 24,231 |

The ageing analysis of trade receivables are as follows:-

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Neither past due nor impaired | 22,147 |
| 1 to 30 days past due not impaired | 857 |
| 31 to 60 days past due not impaired | 10 |
| 61 to 90 days past due not impaired | 906 |
| 91 to 120 days past due not impaired | - |
| More than 121 days past due not impaired | 42 |
| | 1,815 |
| | 23,962 |
| Impaired | 269 |
| | 24,231 |

Receivables that are neither past due nor impaired

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



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)

5.2.3 (Continued)

(d) Trade and Other Receivables (Continued)

Receivables that are past due but not impaired

At the reporting date, the OCK Group have trade receivables amounting to RM1.815 million that are past due but not impaired.

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

Receivables that are impaired

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

| | As at 31 December 2011 RM'000 |
|------------------------------------|-------------------------------------|
| OCK Group | |
| Individually Impaired | |
| Trade receivable - nominal amounts | 269 |
| Less: Allowance for impairment | (269) |
| | - |

Included in the trade receivables are the following related party balances which are unsecured, interest free and repayable on demand:-

| | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| OCK Group | |
| Trade receivables | |
| - Companies in which a director's spouse has interest | 10 |
| | 10 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)****5.2.3 (Continued)****(e) Fixed Deposits Placed with Licensed Banks**

Deposits placed with licensed banks of RM1.255 million are pledged to the banks for banking facilities granted to the OCK Group as disclosed in Note 5.2.3(k).

The fixed deposits placed with licensed banks bear interest rates ranging from 2.6% to 3.2% per annum.

(f) Cash and Bank Balances

| | As at 31 December 2011 RM'000 |
|---------------|-------------------------------------|
| OCK Group | |
| Cash at banks | 9,450 |
| Cash in hand | 299 |
| | <u>9,749</u> |

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

| | As at 31 December 2011 RM'000 |
|----------------------|-------------------------------------|
| OCK Group | |
| United States Dollar | 133 |
| Ringgit Malaysia | 9,616 |
| | <u>9,749</u> |

(g) Share Capital

| | As at 31 December 2011 | |
|--|--|------------------|
| | Number of Ordinary Shares Unit'000 | Amount RM'000 |
| OCK Group | | |
| Ordinary shares of RM0.10 each | | |
| Authorised: | | |
| At the date of incorporation/5 August 2011 | 1,000 | 100 |
| Created subsequent to 5 August 2011 | 499,000 | 49,900 |
| | <u>500,000</u> | <u>50,000</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)

5.2.3 (Continued)

(g) Share Capital (Continued)

| OCK Group | As at 31 December 2011 | |
|---|------------------------------------|---------------|
| | Number of Ordinary Shares Unit'000 | Amount RM'000 |
| Ordinary shares of RM0.10 each Issued and fully paid-up:- | | |
| At the date of incorporation/5 August 2011 | * | ^ |
| Issued pursuant to the Acquisition of OCK Setia | 184,000 | 18,400 |
| | <u>184,000</u> | <u>18,400</u> |

* Twenty (20) OCK Shares

^ RM2

(h) Revaluation Reserve

| OCK Group | As at 31 December 2011 RM'000 |
|---|-------------------------------|
| Non-distributable | |
| Surplus arising from revaluation of properties As at 1 January 2011 | - |
| Additions | 3,599 |
| Transfer to deferred tax liabilities (Note 5.2.3(l)) | <u>(180)</u> |
| As at 31 December 2011 | <u>3,419</u> |

(i) Foreign Currency Translation Reserve

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

(j) Reserve Arising from the Reverse Acquisition

The reserve arising from reverse acquisition is the difference between the issued equity of OCK and issued equity of OCK Setia.

| OCK Group | As at 31 December 2011 RM'000 |
|--|-------------------------------|
| Total issued equity of OCK | 18,400 |
| Less: Total issued equity of OCK Setia | (2,000) |
| Add: Pre-acquisition loss of OCK | <u>607</u> |
| | <u>17,007</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)****5.2.3 (Continued)****(k) Loans and Borrowings**

| | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| OCK Group | |
| Current | |
| Short term borrowings | |
| - bank overdrafts | 540 |
| - bankers' acceptance | 1,019 |
| - trust receipts | 3,209 |
| - revolving project loan | 14,691 |
| Hire purchase payables (Note 5.2.3 (m)) | 690 |
| Term loans (Note 5.2.3 (n)) | 366 |
| | 20,515 |
| Non-current | |
| Hire purchase payables (Note 5.2.3 (m)) | 887 |
| Term loans (Note 5.2.3 (n)) | 6,079 |
| | 6,966 |
| Total loans and borrowings | 27,481 |

Bank overdrafts are denominated in Ringgit Malaysia, bear interest from 0.25% to 2.00% above the bank's base lending rate. The bank overdrafts are secured by legal charges on the OCK Group's properties, the leasehold land and building of a subsidiary company, corporate guarantee by a subsidiary company, a director's property, and jointly and severally guaranteed by the directors.

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

The revolving project loan is a project financing facility of RM20.0 million granted by Malaysia Debt Ventures Berhad, expiring on 28 January 2013. The revolving project loan is secured by the following:-

- (i) All monies debenture incorporating fixed and floating charge over all present and future assets and undertaking of OCK Setia;
- (ii) Assignment of all contract proceeds arising from a base transceiver station sites (version 4) frame contract;
- (iii) Assignment of all contract proceeds and receivables to be received from a frame agreement for provision of telecommunication technical assistance services;
- (iv) Fixed deposits of OCK Setia of RM900,000 and interest accrued thereon; and
- (v) Joint and severally guarantee for the whole facility from two (2) of the directors of the OCK Group, namely Ooi Chin Khoon and Abdul Halim Bin Abdul Hani.

The revolving project loan bears interest at the rate of 7% per annum.



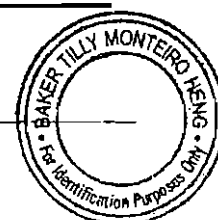
11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)****5.2.3 (Continued)****(l) Deferred Tax Liabilities**

Deferred tax liabilities are made up of the following:-

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Deferred Tax Liabilities | |
| At 1 January 2011 | 22 |
| Recognised in the profit or loss | |
| - current year | 13 |
| - over accrual in prior year | 124 |
| Transferred from revaluation reserves | 180 |
| At 31 December 2011 | <u>339</u> |
| Representing the tax effect of: | |
| Temporary differences between carrying amounts and corresponding tax written down values | 159 |
| Revaluation surplus on properties (Note 5.2.3(h)) | 180 |
| | <u>339</u> |

(m) Hire Purchase Payables

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Future minimum lease payments | |
| - not later than one year | 764 |
| - later than one year and not later than five years | 936 |
| | <u>1,700</u> |
| Less: Future finance charges | (123) |
| Present value of hire purchase liabilities | <u>1,577</u> |
| Represented by: | |
| - not later than one year (included within current liabilities) | 690 |
| - later than one year and not later than five years (included within non-current liabilities) | 887 |
| | <u>1,577</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(m) Hire Purchase Payables (Continued)

The hire purchase liabilities bear interest at rates ranging from 4.09% to 8.17% per annum.

(n) Terms Loans (Secured)

| | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| OCK Group | |
| Total outstanding | 6,445 |
| Less: Payable within the next 12 months | (366) |
| | <u>6,079</u> |

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

The term loans bear interest at rates of 4.60% per annum.

The term loans of RM5.270 million and RM1.200 million are repayable by 180 and 240 monthly instalments respectively.

The repayment terms of the term loans are as follows:-

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Within the next twelve months | 366 |
| After the next twelve months (included under long term loans) | |
| -not later than two years | 416 |
| -later than two years but not later than five years | 1,266 |
| -more than five years | 4,397 |
| | <u>6,445</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(o) Trade and Other Payables

| | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| OCK Group | |
| Current | |
| Trade payables | 13,154 |
| Retention sum | 51 |
| | <u>13,205</u> |
| Other payables | 665 |
| Accruals | 2,290 |
| Deposits | 283 |
| Amount due to directors | 44 |
| Total trade and other payables | <u>16,487</u> |
| Add: Borrowings (Note 5.2.3(k)) | <u>27,481</u> |
| Total financial liabilities carried at amortised cost | <u>43,968</u> |

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

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

| | As at 31 December 2011 RM'000 |
|---------------------|-------------------------------------|
| OCK Group | |
| Singapore Dollar | 60 |
| United State Dollar | 422 |
| Ringgit Malaysia | 12,723 |
| | <u>13,205</u> |

Included in other payables is an amount of RM20,185 owing to a company in which a director's spouse has interest. The amount owing is unsecured, interest free and repayable on demand.

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

(p) Contingent Liability

As at 31 December 2011, the contingent liability was as follows:-

| | As at 31 December 2011 RM'000 |
|--|-------------------------------------|
| OCK Group | |
| Bank guarantees issued in favour of third parties for performance of contract by OCK Setia | <u>3,536</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(q) Capital Commitments

There are no capital commitments as at 31 December 2011.

(r) Financial Risk Management Objectives and Policies

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

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

(i) Credit Risk

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

The OCK Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The OCK Group trades only with recognised and creditworthy third parties. It is the OCK Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the OCK Group's exposure to bad debt is not significant.

Exposure to credit risk

At the reporting date, the OCK Group's maximum exposure to credit risk represented by the carrying amount of each class of the financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 5.2.3(d).

Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.3 (Continued)

(r) Financial Risk Management Objectives and Policies (Continued)**(i) Credit Risk (Continued)**Financial assets that are past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 5.2.3(d).

Financial quarantees

OCK Setia provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies and a former subsidiary company. OCK Setia monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiary companies.

The maximum exposure to credit risk amounts to RM1.6 million representing the outstanding banking facilities of the subsidiary companies and the former subsidiary as at the end of the reporting period.

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

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

(ii) Liquidity Risk

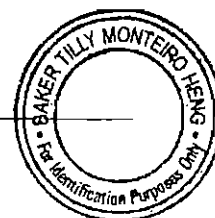
Liquidity risk is the risk that the OCK Group will not be able to meet its financial obligations as they fall due. The OCK Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

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

(iii) Foreign Currency Risk

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

The OCK Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the OCK Group's functional currency.



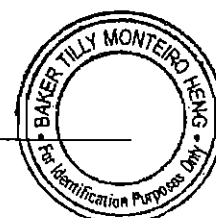
11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.4 (Continued)

(r) Financial Risk Management Objectives and Policies (Continued)**(iii) Foreign Currency Risk (Continued)**Sensitivity analysis

The following table indicates the approximate change in the OCK Group's loss after tax and accumulated losses in response to reasonable possible changes in the foreign exchange rates to which the OCK Group has significant exposure at the reporting date, assuming all other variable risk variables remained constant. Other components of the equity would not be affected by changes in the foreign exchange rate:-

| | Increase/(Decrease) | |
|--------------------------------------|---------------------|--------------|
| | Strengthen (10%) | Weaken (10%) |
| | 31 December 2011 | |
| | RM'000 | RM'000 |
| OCK Group's net profit/(loss) | | |
| Singapore Dollar | 5 | (5) |
| United State Dollar | 20 | (20) |
| | <u>25</u> | <u>(25)</u> |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.5 (Continued)

(r) Financial Risk Management Objectives and Policies (Continued)**(iv) Interest Rate Risk**

The OCK Group primary interest rate risk relates to interest-bearing debt as at 31 December 2011.

The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

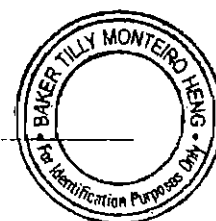
| | Effective Interest Rate % | Within 1 Year RM'000 | 1-5 Year RM'000 | More than 5 Year RM'000 | Total RM'000 |
|-------------------------------|------------------------------------|----------------------------|-----------------------|----------------------------------|-----------------|
| OCK Group | | | | | |
| As at 31 December 2011 | | | | | |
| Financial asset | | | | | |
| Fixed deposits | 3.00-3.60 | 1,255 | - | - | 1,255 |
| Financial liabilities | | | | | |
| Bank overdrafts | 6.55-8.60 | 540 | - | - | 540 |
| Bankers' acceptance | 3.53-4.92 | 1,019 | - | - | 1,019 |
| Trust receipts | 7.00-8.60 | 3,209 | - | - | 3,209 |
| Revolving project loan | 7.00 | 14,691 | - | - | 14,691 |
| Hire purchase payables | 3.36-7.75 | 690 | 887 | - | 1,577 |
| Term loans | 4.60-5.00 | 366 | 1,682 | 4,397 | 6,445 |

(s) Fair Values**(i) Recognised Financial Instruments**

The fair values of financial assets and financial liabilities of the OCK Group approximate their carrying values on the statement of financial position of the OCK Group as at 31 December 2011.

(ii) Unrecognised Financial Instruments

There were no unrecognised financial instruments as at 31 December 2011 that are required to be disclosed.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD****Proforma Consolidated Financial Information****5. PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

5.2.6 (Continued)

(t) Capital Management

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

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

The OCK Group monitors the level of dividends to be paid to shareholders. OCK's objective is to pay out regular dividends to the shareholders based on the level of the OCK Group's profitability and cash flows.

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

The debt-to-equity ratio is as follow:-

| OCK Group | OCK Group As at 31 December 2011 RM'000 |
|--------------------------------------|--|
| Total liabilities | 46,012 |
| Equity attributable to owners of OCK | 18,779 |
| Debt-to-equity ratio | 245.02% |

(u) Proforma Net Assets

| OCK Group | As at 31 December 2011 RM'000 |
|---|-------------------------------------|
| Proforma net assets | 18,779 |
| Number of ordinary shares in issue ('000) ^ | 184,000 |
| Proforma net assets per ordinary share (RM) | 0.10 |

^ Number of OCK Shares after the Acquisition of OCK Selia as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**6. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE OCK GROUP**

- 6.1 The proforma consolidated statement of cash flows of the OCK Group as set out below, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the proforma consolidated statement of cash flows of OCK Group for the FYE 2011 had the transactions as described in Note 3.7 but prior to the Public Issue as described in Note 2.1 of the proforma consolidated financial information been effected on that date, and the OCK Group had been in existence throughout the financial year under review, and should be read in conjunction with the notes accompanying thereto.

OCK Group
FYE
31 December 2011
RM'000

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax
-Continuing operations

12,330

Adjustments for:

Allowance for doubtful debts

Gain on disposal of :-
- property, plant and equipment
- assets held for sale

Depreciation of property, plant and equipment
Reversal in impairment losses
Unrealised loss on foreign currency exchange
Interest income
Interest expenses

269

(547)

(678)

1,001

(33)

15

(67)

1,583

Operating profit before working capital changes

13,873

Change In Working Capital

Inventories
Receivables
Payables
Amount due from/to contract customers

(4,706)

(5,576)

1,581

(1,590)

Net cash generated from operations

3,582

Income tax paid
Interests received
Interests paid

(2,694)

67

(17)

Net Operating Cash Flows

938

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of property, plant and equipment
Purchase of property, plant and equipment
Proceeds from disposal of assets held for sale
Acquisitions of additional equity interest in a subsidiary company from non-controlling interests
Acquisition of subsidiary companies - payments to former shareholders of the subsidiary companies

1,044

(882)

1,028

(50)

(840)

Net Investing Cash Flows

300



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**6. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE OCK GROUP (Continued)**

6.1 (Continued)

OCK Group
FYE
31 December 2011
RM'000**CASH FLOWS FROM FINANCING ACTIVITIES**

| | |
|--|----------|
| Interests paid | (1,566) |
| Dividend paid to non-controlling interests | (20) |
| Fixed deposit held as security values | 17 |
| Net change in directors' accounts | 549 |
| Net change in short term borrowings | (19,274) |
| Drawdown of revolving of project loan | 23,410 |
| Repayment to hire purchase payables | (416) |
| Drawdown of term loans | 291 |
| Repayment to term loans | (366) |
| Proceeds from issuance of shares | ^ |

| | |
|---------------------------------|--------------|
| Net Financing Cash Flows | 2,625 |
|---------------------------------|--------------|

| | |
|--|--------------|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 3,863 |
|--|--------------|

| | |
|----------------------------------|-----|
| Effects of exchange rate changes | (1) |
|----------------------------------|-----|

| | |
|---|--------------|
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 5,347 |
|---|--------------|

| | |
|---|--------------|
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 9,209 |
|---|--------------|

ANALYSIS OF CASH AND CASH EQUIVALENTS

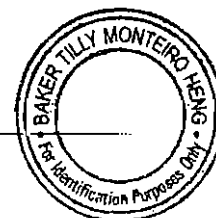
| | |
|---|-------|
| Cash in hand | 299 |
| Cash at banks | 9,450 |
| Fixed deposits placed with licensed banks | 1,255 |
| Bank overdrafts | (540) |

| | |
|--|--------|
| | 10,464 |
|--|--------|

| | |
|--|---------|
| Less: Deposits held as security values | (1,255) |
|--|---------|

| | |
|--|-------|
| | 9,209 |
|--|-------|

^ RM2



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**6. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE OCK GROUP (Continued)****6.2 Notes to the Proforma Consolidated Statement of Cash Flows of the OCK Group****6.2.1 Basis of Preparation and Consolidation**

The proforma consolidated statement cash flows of the OCK Group, for which the directors are solely responsible, are prepared for illustrative purposes only, to show the effects on the proforma statement of cash flows of the OCK Group for the FYE 2011 had the transactions as described in Note 3.7 but before the Public Issue as described in Note 2.1 of the proforma consolidated financial information been effected on that date, and the OCK Group has been in existence throughout the financial year under review.

The proforma consolidated statement cash flows of the OCK Group for the FYE 2011 is prepared based on the following basis:-

| | | |
|--------------------|---|--|
| OCK | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| OCK Setia | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| Delicom | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| OCK M&E | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| Firatel | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| Steadcom | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| EI Power | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| Fortress Singapore | : | Audited statement of cash flows for the financial year ended 31 December 2011. |
| Fortress Malaysia | : | Audited statement of cash flows for the financial year ended 31 December 2011. |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCC GROUP BERHAD****Proforma Consolidated Financial Information****7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCC GROUP**

7.1 The proforma consolidated statements of financial position of the OCC Group as set out below, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the proforma consolidated statement of financial position of the OCC Group as at 31 December 2011, had the transactions as described in Note 3.7, the Public Issue as described in Note 2.1 and the utilisation of listing proceeds as described in Note 7.2.3 of the proforma consolidated financial information been effected on that date, and should be read in conjunction with the notes accompanying thereto.

| | Audited Statement of Financial Position as at 31 December 2011 RM'000 | Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000 | Proforma I After the Public Issue RM'000 | Proforma II After Proforma I and the Utilisation of Proceeds RM'000 |
|--|--|---|---|---|
| ASSETS | | | | |
| Non-current asset | | | | |
| Property, plant and equipment | - | 14,873 | 14,873 | 24,773 |
| Current assets | | | | |
| Inventories | - | 8,859 | 8,859 | 8,859 |
| Amounts due from customers for contract work | - | 1,672 | 1,672 | 1,672 |
| Trade and other receivables | - | 29,486 | 29,486 | 29,486 |
| Tax recoverable | - | 34 | 34 | 34 |
| Fixed deposits placed with licensed banks | - | 1,255 | 1,255 | 1,255 |
| Cash and bank balances | ^ | 9,749 | 36,749 | 24,849 |
| Total current assets | ^ | 51,055 | 78,055 | 66,155 |
| TOTAL ASSETS | ^ | 65,928 | 92,928 | 90,928 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to owners of OCC | | | | |
| Share capital | ^ | 18,400 | 25,900 | 25,900 |
| Share premium | - | - | 19,500 | 18,885 |
| Revaluation reserve | - | 3,419 | 3,419 | 3,419 |
| Foreign currency translation reserve | - | (4) | (4) | (4) |
| Reserve arising from reverse acquisition | - | (17,007) | (17,007) | (17,007) |
| Retained earnings | (607) | 13,971 | 13,971 | 12,586 |
| | (607) | 18,779 | 45,779 | 43,779 |
| Non-controlling interests | - | 1,137 | 1,137 | 1,137 |
| Total equity | (607) | 19,916 | 46,916 | 44,916 |

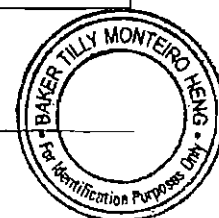


11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

7.1 (Continued)

| | | | Proforma I | Proforma II |
|--|---|---|-------------------------------|---|
| | Audited Statement of Financial Position as at 31 December 2011 RM'000 | Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000 | After the Public Issue RM'000 | After Proforma I and the Utilisation of Proceeds RM'000 |
| Non-current liabilities | | | | |
| Loans and borrowings | - | 6,966 | 6,966 | 6,966 |
| Deferred tax liabilities | - | 339 | 339 | 339 |
| Other payables | 603 | - | - | - |
| Total non-current liabilities | 603 | 7,305 | 7,305 | 7,305 |
| Current liabilities | | | | |
| Amounts due to customers for contract works | - | 148 | 148 | 148 |
| Trade and other payables | 4 | 16,487 | 16,487 | 16,487 |
| Loans and borrowings | - | 20,515 | 20,515 | 20,515 |
| Tax payable | - | 1,557 | 1,557 | 1,557 |
| Total current liabilities | 4 | 38,707 | 38,707 | 38,707 |
| Total liabilities | 607 | 46,012 | 46,012 | 46,012 |
| TOTAL EQUITY AND LIABILITIES | ^ | 65,928 | 92,928 | 90,928 |
| Number of ordinary shares assumed to be in issued - RM0.10 each ('000) | # | 184,000 | 259,000 | 259,000 |
| Net assets ("NA") (RM'000) | (607) | 18,779 | 45,779 | 43,779 |
| NA per ordinary share (RM) | (30,356.10) | 0.10 | 0.18 | 0.17 |
| Net Tangible Assets ("NTA") (RM'000) | (607) | 18,779 | 45,779 | 43,779 |
| NTA per ordinary share (RM) | (30,356.10) | 0.10 | 0.18 | 0.17 |

^ RM2
20 units



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

7.2 Notes to the proforma consolidated statements of financial position are as follows:-

7.2.1 Basis of Preparation

The proforma consolidated statements of financial position of the OCK Group, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the proforma statement of financial position of the OCK Group as at 31 December 2011, had the transactions as described in Note 3.7, the Public Issue as described in Note 2.1 and the utilisation of listing proceeds as described in Note 7.2.3 of the proforma consolidated financial information been effected on that date, and should be read in conjunction with the notes accompanying thereto, and are prepared based on the following basis:-

| | | |
|-----------------------|---|---|
| OCK | : | Audited statement of financial position as at 31 December 2011. |
| OCK Setia | : | Audited statement of financial position as at 31 December 2011. |
| Delicom | : | Audited statement of financial position as at 31 December 2011. |
| OCK M&E | : | Audited statement of financial position as at 31 December 2011. |
| Firatel | : | Audited statement of financial position as at 31 December 2011. |
| Steadcom | : | Audited statement of financial position as at 31 December 2011. |
| EI Power | : | Audited statement of financial position as at 31 December 2011. |
| Fortress Singapore | : | Audited statement of financial position as at 31 December 2011. |
| Fortress Malaysia | : | Audited statement of financial position as at 31 December 2011. |

7.2.2 The proforma consolidated statements of financial position of the OCK Group have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by OCK Setia in the preparation of its audited financial statements for the FYE 2011, which have been prepared in accordance with the Financial Reporting Standards in Malaysia, and have been adopted by OCK as the group accounting policies.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

7.2 (Continued)

7.2.3 The proceeds from the Public Issue would be utilised in the following manner:-

| | RM'000 | % |
|--|--------|--------|
| Capital expenditure | 9,900 | 36.67 |
| Operating expenditure | 9,700 | 35.92 |
| Working capital | 5,400 | 20.00 |
| Defrayment of estimated listing expenses | 2,000 | 7.41 |
| | 27,000 | 100.00 |

7.2.4 Adjusted Consolidated Statement of Financial Position of the OCK Group as at 31 December 2011

The proforma consolidated statement of financial position of the OCK Group as at 31 December 2011 had been adjusted for the Acquisition of OCK Setia as described in Note 3.7(b).

The Acquisition of OCK Setia had the following impact on the audited consolidated statement of financial position of the OCK Group:-

| | Increase/(Decrease) | |
|--|--------------------------------------|---|
| | Effects on Total Assets RM'000 | Effects on Total Equity and Liabilities RM'000 |
| Property, plant and equipment | 14,873 | - |
| Inventories | 8,859 | - |
| Amounts due from/to customers for contract works | | |
| -under current assets | 1,672 | - |
| -under current liabilities | - | 148 |
| Trade and other receivables | 29,486 | - |
| Tax recoverable | 34 | - |
| Fixed deposits placed with licensed banks | 1,255 | - |
| Cash and bank balances | 9,749 | - |
| Foreign currency translation reserve | 4 | - |
| Loans and borrowings | | |
| - under non-current liabilities | - | 6,966 |
| - under current liabilities | - | 20,515 |
| Deferred tax liabilities | - | 339 |
| Other payables (under non-current liabilities) | - | (603) |
| Trade and other payables | - | 16,483 |
| Tax payable | - | 1,557 |
| Reserve arising from reverse acquisition | - | (17,007) |
| Share capital | - | 18,400 |
| Revaluation reserve | - | 3,419 |
| Retained earnings | - | 14,578 |
| Non-controlling interests | - | 1,137 |
| | 65,932 | 65,932 |



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)****7.2 (Continued)**

7.2.5 The proforma consolidated statements of financial position should be read in conjunction with the notes below:-

(a) Proforma I

Proforma I incorporates the cumulative effects of the adjusted consolidated statement of financial position of the OCK Group as at 31 December 2011 and the Public Issue, which includes the Public Issue of 75,000,000 new OCK Shares at an issue price of RM0.36 per OCK Share.

The Public Issue has the following impact on the proforma consolidated statements of financial position of the OCK Group:-

| | Increase/(Decrease) | |
|------------------------|--------------------------------------|--------------------------------------|
| | Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
| Cash and bank balances | 27,000 | - |
| Share capital | - | 7,500 |
| Share premium | - | 19,500 |
| | 27,000 | 27,000 |

(b) Proforma II

Proforma II incorporates the cumulative effects of Proforma I and the utilisation of listing proceeds from the Public Issue of RM27 million.

The proceeds expected from the Public Issue of RM27 million will be utilised in the manner as described in Note 7.2.3 of the proforma consolidated financial information.

The estimated expenses for the Listing of RM0.615 million will be written off against the Share Premium Account pursuant to Section 60(3) of the Companies Act, 1965. The remaining estimated expenses of RM1.385 million will be debited to the Retained Earnings Account.

The proceeds arising from the Public Issue earmarked for the OCK Group's working capital and operating expenditure purposes of RM5.4 million and RM9.7 million respectively will be included in the Cash and Bank Balances Account.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

OCK GROUP BERHAD
Proforma Consolidated Financial Information

7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)

7.2 (Continued)

7.2.5 (Continued)

(b) Proforma II (Continued)

The utilisation of proceeds has the following impact on the proforma consolidated statements of financial position of the OCK Group:-

| | Increase/(Decrease) Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
|-------------------------------|---|--------------------------------------|
| Cash and bank balances | (11,900) | - |
| Property, plant and equipment | 9,900 | - |
| Share premium | - | (615) |
| Retained earnings | - | (1,385) |
| | (2,000) | (2,000) |

7.2.6 Movements in share capital, share premium, revaluation reserve, foreign currency translation reserve, reserve arising from reverse acquisition and retained earnings are as follows:-

| | Share Capital RM'000 | Share Premium RM'000 | Revaluation Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Reserve Arising From The Reverse Acquisition RM'000 | Retained Earnings RM'000 |
|---|----------------------------|----------------------------|----------------------------------|---|--|--------------------------------|
| Audited statement of financial position of OCK as at 31 December 2011 | ^ | - | - | - | - | (607) |
| Issuance of new OCK Shares subsequent to 31 December 2011 - arising from the Acquisition of OCK Setia | 18,400 | - | 3,419 | (4) | (17,007) | 14,578 |
| Adjusted proforma consolidated statement of financial position of the OCK Group as at 31 December 2011 | 18,400 | - | 3,419 | (4) | (17,007) | 13,971 |
| Arising from the Public Issue | 7,500 | 19,500 | - | - | - | - |
| Per Proforma I | 25,900 | 19,500 | 3,419 | (4) | (17,007) | 13,971 |
| Arising from the utilisation of proceeds - defrayment of estimated expenses | - | (615) | - | - | - | (1,385) |
| Per Proforma II | 25,900 | 18,885 | 3,419 | (4) | (17,007) | 12,586 |

^ RM2 comprising twenty (20) OCK shares of RM0.10 each.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**OCK GROUP BERHAD**
Proforma Consolidated Financial Information**7. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE OCK GROUP (Continued)**

7.2 (Continued)

7.2.7 Movements in cash and bank balances are as follows:-

| | RM'000 |
|--|---------|
| Audited statement of financial position of OCK as at 31 December 2011 | ^ |
| Arising from the Acquisition | 9,749 |
| Adjusted proforma consolidated statement of financial position of the OCK Group as at 31 December 2011 | 9,749 |
| Arising from the Public Issue | 27,000 |
| Per Proforma I | 36,749 |
| Arising from the utilisation of proceeds | |
| - defrayment of estimated expenses | (2,000) |
| - purchase of equipment | (9,900) |
| Per Proforma II * | 24,849 |

^ RM2

* Included in the cash and bank balances as per Proforma II are amounts of RM5.4 million and RM9.7 million from the Public Issue earmarked for working capital and operating expenditure purposes respectively.



11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**11.5 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our proforma consolidated fixed deposits and cash and bank balances, capitalisation and indebtedness as at 31 December 2011 based on our proforma consolidated statement of financial position as at 31 December 2011 and adjusted to show the effects of our Public Issue and the utilisation of proceeds as set out in Section 3.6 of this Prospectus.

| | As at 31 December 2011 RM'000 | After the Public Issue and Utilisation of Proceeds RM'000 |
|--|--|--|
| Cash and bank balances | 9,749 | 24,849 |
| Fixed deposits | 1,255 | 1,255 |
| | 11,004 | 26,104 |
| Indebtedness | | |
| Non-current (Secured) | | |
| Hire purchase payables | 887 | 887 |
| Term loans | 6,079 | 6,079 |
| | 6,966 | 6,966 |
| Current (Secured) | | |
| Bills payable | 4,228 | 4,228 |
| Hire purchase payables | 690 | 690 |
| Term loans | 366 | 366 |
| Revolving project loans | 14,691 | 14,691 |
| Bank overdraft | 540 | 540 |
| | 20,515 | 20,515 |
| Total indebtedness | 27,481 | 27,481 |
| Capitalisation | 18,779 | 43,779 |
| Total capitalisation and indebtedness | 46,260 | 71,260 |

Save as disclosed above, we do not have any other borrowings that are unsecured or unguaranteed. The indirect and contingent liabilities of our Group are set out in Section 12.3.6 of this Prospectus.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

Investors should read the following discussion and analysis of our financial condition and results of operations in conjunction with the notes and assumptions included in the Reporting Accountants' Letter on Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

12.1 OVERVIEW

Our Company is principally an investment holding company, whereby our Group's revenue is derived through our subsidiary companies of which the principal activities are summarise as below:

| Company | Principal Activities |
|--|--|
| OCK | Investment holding |
| <u>Telecommunications Network Services</u> | |
| OCK Setia | Provision of turnkey telecommunications network services |
| Delicom | Provision of telecommunications network services focusing on network deployment services |
| Steadcom | Provision of telecommunications network services primarily focusing on network planning, design and optimisation |
| <u>Green Energy and Power Solutions</u> | |
| EI Power | Provision of green energy and power solutions |
| <u>Telecommunications and Network Security Products and Materials</u> | |
| Fortress Singapore | Distribution and installation of network security products and solutions for enterprise customers and provision of technical support |
| Fortress Malaysia | Distribution and installation of network security products and solutions for enterprise customers and provision of technical support |
| Firatel | Trading of telecommunications network equipment and materials |
| <u>M&E Engineering Services</u> | |
| OCK M&E | Provision of mechanical and electrical engineering services |

Revenue

Our Group's revenue is principally derived from the provision of telecommunications network services. Our Group also derive income from the trading of telecommunications network equipment and materials, enterprise network security solutions, provision of green energy and power solutions and M&E services. This revenue is derived mainly from domestic markets.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
Order book

As at the LPD, our Group's order book comprise purchase orders received stands at approximately RM67.14 million which includes provision of telecommunications network services, trading of telecommunications network equipment and materials and provision of green energy and power solutions as summarise below:

(i) By type of customers

| | Current order book as at LPD RM'000 |
|------------------------------|---|
| Telecommunications operators | 19,489 |
| Technology providers | 21,236 |
| Others | 26,416 |
| Total | 67,141 |

(ii) By type of activities

| | Current order book as at the LPD RM'000 |
|---|---|
| Telecommunications network services: | |
| - Turnkey | 18,287 |
| - Deployment | 22,438 |
| - Operations, maintenance and others | 3,700 |
| Green energy and power solution | 7,559 |
| Trading of telecommunications and network security products and materials | 785 |
| M&E engineering services | 14,372 |
| Total | 67,141 |

In addition, our Group has on-going and subsisting contracts whereby the purchase orders will be issued by the telecommunications operators and technology providers during the contract period where the services are required to be performed.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Cost of sales

Cost of sales comprise mainly purchase of goods and materials, direct labour costs, sub-contractor costs and direct project expenses, as explained below:

(i) By company

| | Proforma Audited FYE 31 December | | | | | | | |
|---------------------------------|----------------------------------|--------|---------|--------|---------|---------|----------|---------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| OCK | - | - | - | - | - | - | - | - |
| OCK Setia | 35,345 | 88.77 | 37,972 | 96.95 | 46,028 | 83.86 | 48,335 | 73.33 |
| OCK M&E | 4,191 | 10.53 | 477 | 1.22 | 3,970 | 7.23 | 3,432 | 5.21 |
| Delicom | 2,333 | 5.86 | 2,699 | 6.89 | 5,713 | 10.41 | 7,466 | 11.33 |
| Firatel | 130 | 0.33 | 303 | 0.77 | 2,469 | 4.50 | 2,508 | 3.81 |
| EI Power | - | - | - | - | 2,110 | 3.84 | 12,726 | 19.31 |
| Steadcom | - | - | - | - | 147 | 0.27 | 3,075 | 4.66 |
| Fortress Singapore | - | - | - | - | - | - | 413 | 0.62 |
| Fortress Malaysia | - | - | - | - | - | - | - | - |
| | 41,999 | 105.49 | 41,451 | 105.83 | 60,437 | 110.11 | 77,955 | 118.27 |
| Less: Inter-company elimination | (2,184) | (5.49) | (2,285) | (5.83) | (5,549) | (10.11) | (12,043) | (18.27) |
| | 39,815 | 100.00 | 39,166 | 100.00 | 54,888 | 100.00 | 65,912 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) By activities

| | Proforma Audited FYE 31 December -----> | | | | | | | |
|--|---|---------------|----------------|---------------|----------------|----------------|-----------------|----------------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Investment holding | - | - | - | - | - | - | - | - |
| Telecommunications network services | | | | | | | | |
| - Direct materials | 7,058 | 17.73 | 5,471 | 13.97 | 9,141 | 16.65 | 6,456 | 9.80 |
| - Labour/sub-contractor costs | 26,767 | 67.23 | 30,313 | 77.40 | 38,597 | 70.32 | 46,293 | 70.23 |
| - Project expenses | 3,853 | 9.68 | 4,887 | 12.48 | 4,150 | 7.56 | 6,129 | 9.30 |
| | <u>37,678</u> | <u>94.64</u> | <u>40,671</u> | <u>103.85</u> | <u>51,888</u> | <u>94.53</u> | <u>58,878</u> | <u>89.33</u> |
| Green energy and power solutions | | | | | | | | |
| - Purchases of goods | - | - | - | - | 2,068 | 3.77 | 12,065 | 18.31 |
| - Labour costs | - | - | - | - | - | - | 329 | 0.50 |
| - Direct overheads | - | - | - | - | 42 | 0.08 | 332 | 0.50 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,110</u> | <u>3.85</u> | <u>12,726</u> | <u>19.31</u> |
| Trading of telecommunications and network security products and materials | | | | | | | | |
| - Purchases of goods | 191 | 0.48 | 362 | 0.92 | 2,472 | 4.50 | 2,944 | 4.47 |
| - Sub-contractor costs | - | - | 183 | 0.46 | 104 | 0.19 | 1 | - |
| - Project expenses | - | - | 3 | 0.01 | 119 | 0.22 | 120 | 0.18 |
| | <u>191</u> | <u>0.48</u> | <u>548</u> | <u>1.39</u> | <u>2,695</u> | <u>4.91</u> | <u>3,065</u> | <u>4.65</u> |
| M&E engineering services | | | | | | | | |
| - Direct materials | 2,358 | 5.92 | 143 | 0.36 | 2,051 | 3.74 | 1,333 | 2.02 |
| - Labour/sub-contractor costs | 1,742 | 4.38 | 81 | 0.21 | 1,600 | 2.92 | 1,882 | 2.85 |
| - Project expenses | 30 | 0.07 | 8 | 0.02 | 93 | 0.16 | 71 | 0.11 |
| | <u>4,130</u> | <u>10.37</u> | <u>232</u> | <u>0.59</u> | <u>3,744</u> | <u>6.82</u> | <u>3,286</u> | <u>4.98</u> |
| Group Total | <u>41,999</u> | <u>105.49</u> | <u>41,451</u> | <u>105.83</u> | <u>60,437</u> | <u>110.11</u> | <u>77,955</u> | <u>118.27</u> |
| Less: Inter-company elimination | <u>(2,184)</u> | <u>(5.49)</u> | <u>(2,285)</u> | <u>(5.83)</u> | <u>(5,549)</u> | <u>(10.11)</u> | <u>(12,043)</u> | <u>(18.27)</u> |
| | <u>39,815</u> | <u>100.00</u> | <u>39,166</u> | <u>100.00</u> | <u>54,888</u> | <u>100.00</u> | <u>65,912</u> | <u>100.00</u> |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

| | 2008 | | 2009 | | 2010 | | 2011 | |
|---------------------------------|---------|--------|---------|--------|---------|---------|----------|---------|
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Group Total | 9,607 | 24.13 | 5,976 | 15.25 | 15,732 | 28.66 | 22,798 | 34.59 |
| - Direct material | 28,509 | 71.61 | 30,577 | 78.07 | 40,301 | 73.43 | 48,505 | 73.59 |
| - Labour/sub-contractor costs | 3,883 | 9.75 | 4,898 | 12.51 | 4,404 | 8.02 | 6,652 | 10.09 |
| - Project expenses | 41,999 | 105.49 | 41,451 | 105.83 | 60,437 | 110.11 | 77,955 | 118.27 |
| Less: Inter-company elimination | (2,184) | (5.49) | (2,285) | (5.83) | (5,549) | (10.11) | (12,043) | (18.27) |
| Total Cost of Sales | 39,815 | 100.00 | 39,166 | 100.00 | 54,888 | 100.00 | 65,912 | 100.00 |

- (i) Provision of telecommunications network services
- Direct materials comprising mainly cables, metal structures and related parts;
 - Labour/sub-contractor costs comprising mainly labour/sub-contractor fees for installation and construction of base stations, and the project related staff costs which comprise salaries, bonuses, allowances and contribution to Employees' Provident Fund and SOCSO; and
 - Project expenses comprising mainly transportation costs, travelling expenses, accommodation and equipment and warehouse rental.
- (ii) Green energy and power solutions
- Purchase costs comprising mainly generator sets; and
 - Labour costs for installation and testing; and
 - Direct overheads comprising mainly equipment rental, import duties and transportation costs.
- (iii) Trading of telecommunications and network security products and materials
- Purchase costs for telecommunications equipment and materials;
 - Sub-contractor costs for testing of equipment and materials; and
 - Project expenses comprising mainly import duties and transportation costs.
- (iv) M&E engineering services
- Direct materials comprising mainly transformers, switchgear, main switchboard, power cables, light fittings and accessories;
 - Labour/sub-contractor cost for installation, testing and commissioning; and
 - Project expenses comprising mainly supervision costs, transportation costs, travelling expenses, accommodation and warehouse rental.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd).

Other income

Other income comprise mainly of the following:

| | Proforma Audited FYE 31 December -----> | | | | | | | |
|---|---|--------|--------|--------|--------|--------|--------|--------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Rental income | 452 | 77.80 | 625 | 83.11 | 676 | 90.37 | 792 | 34.45 |
| Interest income | - | - | 13 | 1.73 | 43 | 5.75 | 67 | 2.92 |
| Gain on disposal of property, plant and equipment | 1 | 0.17 | 15 | 2.00 | - | - | 547 | 23.79 |
| Gain on foreign exchange | - | - | 38 | 5.05 | - | - | 15 | 0.65 |
| Gain on disposal of a subsidiary | - | - | - | - | - | - | 678 | 29.49 |
| Others | 128 | 22.03 | 61 | 8.11 | 29 | 3.88 | 200 | 8.70 |
| Total | 581 | 100.00 | 752 | 100.00 | 748 | 100.00 | 2,299 | 100.00 |

Other income constitutes approximately 1.27%, 1.64%, 1.12% and 2.60% of our revenue for FYE 31 December 2008, FYE 31 December 2009, FYE 31 December 2010 and FYE 31 December 2011 respectively.

Our commentaries on our Group's other income are as follows:

FYE 31 December 2008 compared to FYE 31 December 2007

Our Group's other income had increased to RM0.58 million for FYE 31 December 2008 from RM0.13 million for FYE 31 December 2007. The increase of approximately RM0.45 million or 346.15% was mainly due to rental income from the Group's newly acquired properties in Petaling Jaya and Shah Alam. In addition, the increase in other income which comprised insurance claim and deposit refund also contributed to the increase during the year under review.

FYE 31 December 2009 compared to FYE 31 December 2008

Our Group's other income had continued to increase by 29.31% from RM0.58 million for FYE 31 December 2008 to RM0.75 million for FYE 31 December 2009. The increase was mainly derived from full year rental income from the Group's properties in Petaling Jaya and Shah Alam respectively and refund of tender fee in relation to M&E work amounting to RM0.06 million for the financial year under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

FYE 31 December 2010 compared to FYE 31 December 2009

Our Group's other income remain consistent at RM0.75 million for FYE 31 December 2010.

FYE 31 December 2011 compared to FYE 31 December 2010

Our Group's other income showed a significant increase by 206.67% from RM0.75 million to RM2.30 million for FYE 31 December 2011. The increase was mainly due to the gain on disposal of a property in Petaling Jaya amounting to RM0.55 million for FYE 31 December 2011. In addition, there was also other income derived from gain on disposal of a subsidiary company, OCK Properties and recharges of salaries (i.e. recovery of salaries from a company related to a Director for business development expenses) and office expenses recognised during the year which amounted to RM0.68 million and RM0.13 million respectively.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Administrative Expenses

Expenses that fall into this category are mostly fixed in nature such as directors' remuneration, support/administration staff costs, depreciation, travelling expenses and utilities.

| | Proforma Audited FYE 31 December | | | | | | | |
|---|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Salaries and wages | 1,411 | 31.94 | 1,244 | 25.99 | 1,898 | 30.28 | 2,913 | 26.93 |
| EPF and SOCSO | 180 | 4.07 | 153 | 3.20 | 221 | 3.52 | 376 | 3.48 |
| Directors' fees and remunerations | 489 | 11.07 | 385 | 8.04 | 510 | 8.14 | 846 | 7.82 |
| Depreciation | 790 | 17.88 | 888 | 18.56 | 979 | 15.62 | 1,001 | 9.26 |
| Travelling and accommodation | 155 | 3.51 | 184 | 3.84 | 183 | 2.92 | 436 | 4.03 |
| Entertainment | 214 | 4.84 | 216 | 4.51 | 274 | 4.37 | 439 | 4.06 |
| Printing and stationary telephone, fax and internet | 294 | 6.65 | 332 | 6.94 | 481 | 7.67 | 652 | 6.03 |
| Legal fee | 105 | 2.38 | 62 | 1.30 | 36 | 0.57 | 25 | 0.23 |
| Professional fee | - | - | - | - | 6 | 0.10 | 789 | 7.29 |
| Office/warehouse rental | - | - | 197 | 4.12 | 352 | 5.61 | 583 | 5.39 |
| Bank charges | 43 | 0.97 | 188 | 3.93 | 99 | 1.58 | 140 | 1.29 |
| Insurance | 79 | 1.79 | 106 | 2.21 | 149 | 2.38 | 170 | 1.57 |
| Allowance for doubtful debts | - | - | - | - | - | - | 269 | 2.49 |
| Commissions | 75 | 1.70 | 55 | 1.15 | 54 | 0.86 | 378 | 3.50 |
| Others* | 583 | 13.20 | 776 | 16.21 | 1,027 | 16.38 | 1,798 | 16.63 |
| Total | 4,418 | 100.00 | 4,786 | 100.00 | 6,269 | 100.00 | 10,815 | 100.00 |

Note:

* Others mainly consists of upkeep of office equipment, utilities expenses, postages and courier charges, office expenses, upkeep of motor vehicles, license fees, consultant fees and other staff related expenses such as staff welfare, medical claim and training expenses.

Administrative expenses constitute approximately 9.69%, 10.42%, 9.39% and 12.24% of our revenue for FYE 31 December 2008, FYE 31 December 2009, FYE 31 December 2010 and FYE 31 December 2011 respectively.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Our commentaries on our Group's administrative expenses are as follows:

FYE 31 December 2008 compared to FYE 31 December 2007

Our Group's administrative expenses had increased from RM2.91 million for FYE 31 December 2007 to RM4.42 million for FYE 31 December 2008. The increase of approximately RM1.51 million or 51.89% was mainly due to increase in salary and wages from hiring additional workforce mainly engineers for installation, commissioning and testing of telecommunications equipment to meet the increase in the company's sales demand.

FYE 31 December 2009 compared to FYE 31 December 2008

Our Group's administrative expenses had further increased to RM4.79 million for FYE 31 December 2009 from RM4.42 million for FYE 31 December 2008. The increase of 8.37% was mainly due to increase in bank charges and additional rental paid for office and warehouse due to the Group's expanded activities in other parts of Malaysia. The increase was offset by the decrease in salaries and wages due to reassignment of staff in OCK M&E to OCK Setia to perform project related work which resulted the salaries and wages being reclassified as cost of sales as well as lower stamping fees for purchase of properties in FYE 31 December 2008.

FYE 31 December 2010 compared to FYE 31 December 2009

In FYE 31 December 2010, our Group's administrative expenses had further increased from RM4.79 million for FYE 31 December 2009 to RM6.27 million for FYE 31 December 2010. The increase of 30.90% was mainly due to increase in salary and wages as a result of the expansion in telecommunication engineering segment and the new setup of green energy and power solutions segment during the year under review.

FYE 31 December 2011 compared to FYE 31 December 2010

In FYE 31 December 2011, our Group's administrative expenses had increased by 72.57 % to RM10.82 million in comparison with its corresponding year for FYE 31 December 2010 of RM6.27 million. This was mainly due to the increase in salaries and wages which is concurrent with the increase in revenue. In addition, the increase was also due to an allowance for doubtful debts made in FYE 31 December 2011 which amounted to RM0.27 million. Other administrative expenses which comprise amongst others, professional fees, commissions and utilities expenses had also contributed to the increase in operating expenses for the financial year under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Finance Costs

Finance costs comprise mainly of the following:

| | 2008 | | 2009 | | 2010 | | 2011 | |
|-----------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Revolving project loan | 1,039 | 72.41 | 1,121 | 77.42 | 1,030 | 74.64 | 1,103 | 70.39 |
| Trade lines interests and charges | 30 | 2.09 | 7 | 0.48 | 7 | 0.50 | 115 | 7.34 |
| Overdraft interests | 58 | 4.04 | 14 | 0.97 | 11 | 0.80 | 5 | 0.32 |
| Term loan interests | 274 | 19.09 | 261 | 18.02 | 260 | 18.84 | 280 | 17.87 |
| Hire purchase interests | 34 | 2.37 | 45 | 3.11 | 72 | 5.22 | 64 | 4.08 |
| Total | 1,435 | 100.00 | 1,448 | 100.00 | 1,380 | 100.00 | 1,567 | 100.00 |

Our Group's finance costs was RM1.44 million for FYE 31 December 2008 and had remained constant at approximately RMI.40 million for FYE 31 December 2009 and FYE 31 December 2010. Finance costs for the FYE 31 December 2011 had increased by 13.5% as compared to FYE 31 December 2010. The increase in finance costs for FYE 31 December 2011 was mainly due to the timing of the utilisation of trade line facilities and revolving project loan for the financial years under review.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.1.1 Significant factors affecting our profits

The following discussion regarding industry trends includes forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those projected in these forward-looking statements.

(i) Growth

Our growth is, inter-alia, affected by:

Steady growth for telecommunications network market

The Ministry of Information, Communications and Culture of Malaysia (MOICC) and MCMC have a healthy growth forecast on future household broadband penetration rate in Malaysia. The household penetration rate is projected to reach 75% in 2015 from 56.0% in 2011. As such, the growing prominence of broadband market in Malaysia bodes well for the growth in telecommunications network services market with further capacity needs.

For the existing network infrastructure, telecommunications network services are required to continue to provide the necessary support and maintenance to prevent interruption in operations and newer network also require maintenance. Further, as the ICT industry is often characterised by a rapid change in technology, the telecommunications carriers and operators are likely to constantly upgrade their network infrastructure and hardware or install newer one to meet the expected requirement and to keep updated with the latest technology.

With the positive market outlook driven by the demand of telecommunications network build-up, upgrade and replacement, market players including ourselves are expected to benefit and continue to grow in future.

Continuing Support from the Government

The Government has been providing necessary leadership in spearheading the growth in ICT industry which includes telecommunications network services market via supportive government policies and strong institutional support. Introduction of MCMC under the Malaysian Communications and Multimedia Commission Act 1998 has provided a 'clear single voice' in supervising ICT industry and its strategic direction. MCMC clearly represents the support needed by the industry players to address all the issues in relation to ICT industry. Besides that, funds have been allocated in the past to develop ICT industry. As one of the participants of the ICT industry, telecommunications network services market players can also expect to reap the benefits from the continuous support given by Government.

Prevalent Strategic Alliances with Principal Product and Equipment Suppliers

The telecommunications network services market players tend to enter into strategic alliances or partnerships with the technology providers as principal suppliers of products and equipment. Such co-operations allow both parties to share resources and tap into each other's technological expertise and knowledge to offer a more comprehensive network solution for potential customers. This can help to improve their chances of securing jobs from potential customers.

The local telecommunications network services market has been boosted by the direct presence of major telecommunications network suppliers in the country. For example, both Huawei and Nokia Siemens Networks have direct presence in Malaysia via their respective offices in Kuala Lumpur – underlying their commitments towards serving the local telecommunications network services market players that enables them to offer better and faster services supports.

(Sources: IMR Report)

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Tax consideration

Tax expenses comprise current year provision for taxation including any under or overprovision of taxation in the previous year and deferred taxation.

The following table sets out the comparison between our effective and statutory tax rate for the four (4) FYE 31 December 2008 to 2011:

| | ← Proforma Audited FYE 31 December → | | | |
|--------------------|--------------------------------------|-------|-------|-------|
| | 2008 | 2009 | 2010 | 2011 |
| | % | % | % | % |
| Effective tax rate | 67.82 | 37.03 | 29.52 | 25.39 |
| Statutory tax rate | 26.00 | 25.00 | 25.00 | 25.00 |

The effective tax rate for the financial years under review was higher than the statutory tax rate due principally to certain expenses not deductible for tax reporting purposes, amongst others, which includes legal fees and stamp duties for loan facility agreements, entertainments and gifts and donations.

The higher effective tax rate for FYE 31 December 2008 was due to higher actual tax paid for the financial year in respect of PBT of Delicom adjusted in order to have coterminous financial year end with other companies within the Group. In addition, actual tax paid for OCK M&E was also higher in FYE 31 December 2008 as a result of prior year adjustments in relation to the adoption of FRS 111: Construction Contracts which reduced the PBT from RM0.46 million to RM0.18 million.

(iii) Competitive Strengths

Established Market Reputation

Our Group has been providing consistent quality services and solutions as evidenced by long standing working relationships with our customers throughout the years. We have been working with telecommunications operators such as Celcom, DiGi, U Mobile, P1 and YTL and technology providers including Alcatel-Lucent, Ericsson, Huawei, NEC, SIAE and ZTE for their telecommunications projects.

We have been awarded the Golden Bull Award (100 Outstanding SMEs) in 2007, 2009, 2010 and 2011. We have also earned numerous partner awards, and are certified with the ISO 9001:2008 requirements in the scope of supply and installation of telecommunication, mechanical and electrical systems and provision of related civil engineering works.

One-Stop Solution Provider for Telecommunications Network Services

We are a one-stop solution provider for telecommunications networks services with expertise in providing turnkey solutions ranging from site evaluation and audit, to procurement, structural work and implementation/deployment. Apart from that, we also offer managed services for our clients involving the operation and maintenance of telecommunications networks. We support our clients through our network of offices in Johor, Pahang, Penang, Sabah and Sarawak.

Please refer to Section 6.5 of this Prospectus for further information on our competitive strengths.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(iv) General Business Risks**Competitive rivalry**

OCK faces competition amongst the existing market players in Malaysia and potential network services providers beyond Malaysia. Our Group's track record over the years has enabled us to bid for projects directly with the telecommunications operators as well as their approved service providers.

Fluctuation in prices of raw materials and products

Major materials used by our Group in provision of our services are related to steel and other metal related products. Many factors that are beyond our control, which include global economy and the industrial productivity level could affect the fluctuations in prices of these materials. Our Group has established long term relationship with our suppliers to source materials at competitive prices. Our Group also has a large supplier base to mitigate difficulty in sourcing for materials should there be a material shortage faced by a particular supplier.

Dependency on particular segment of the telecommunications industry

OCK's revenue is mainly derived from the provision of telecommunications network services. Due to high cost of ownership and to reduce infrastructure investment, telecommunications operators are favouring infrastructure sharing. Our Group has therefore plans to diversify into other business segments such as becoming the telecommunications network infrastructure owner. Recognising the potential of renewable green energy sources, our Group has also ventured into provision of green energy and power solutions.

Network sharing

Telecommunications operators have begun to collaborate to share network base stations to reduce costs whilst maintaining network coverage. Whilst this is an advantage to us in terms of our plans to become telecommunications tower owners as well as the potential projects involving relocation of current existing structures to a location which would optimise connectivity between the sharing parties, the overall network deployment projects will eventually reduced. Nevertheless, with the roll out of new telecommunications technologies and the increase in data usage amongst users as data and call rates are competitively reduced, telecommunications operators see a need to also increase their network coverage. Hence, whilst there is consolidation of existing network infrastructure, new infrastructure will still be required due to heavier usage and newer telecommunications technology.

Frame agreements

The norm in the industry is to enter into frame agreements with telecommunications operators identifying the service levels required. Our Group will receive purchase order or bill of quantity for the required work, service and equipment during the tenure of such agreements. Revenue may not be billed as planned if there are any changes in the telecommunications industry as clients may opt for the latest technology and the existing contract may be discontinued half-way or become obsolete. Whilst there is a risk of such events materialising, we provide our commitment in terms of quality and timeliness in our work. This will enable us to win the confidence from our customers to enable them to award us with their future projects.

12. **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**

Political, economic and regulatory risk

The supply and demand for telecommunications infrastructure needs are very much dependent on the on-going economic climate. Any slowdown in the global or local economy may have an adverse impact on the supply and demand for growth in the infrastructure. There can be no assurance that any change to these factors will not have a material adverse effect on our business.

Whilst our business operations is currently not subject to any laws and regulations of the jurisdiction where we operate save in respect of major licences disclosed in Section 6.12, there is no assurance that future changes to the said laws, regulations, rulings, directions, policies and guidelines will not affect the operation and performance of our Group.

Availability of skilled workforce

Our success depends to a certain extent on, our ability to continue to attract and retain qualified personnel. The competition for qualified employees within the industry is significant and loss of the services of such personnel or failure to retain existing personnel could have an adverse impact on our business. Our Group currently have sufficient pool of human resources in hand, which enable us to reassign any personnel to particular projects which are short-handed or in the event there is a need to complete the project within a shorter timeframe as required by telecommunications operators.

Please refer to Section 4 of this Prospectus for further information on risks.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2 RESULTS OF OPERATIONS

The following is a segmental analysis of our results for the four (4) FYE 31 December 2008 to 2011, based on the assumption that our current Group structure has been in existence throughout the financial years under review.

12.2.1 Segmental Analysis of Revenue

(i) By company

| | Proforma Audited FYE 31 December | | | | | | | | | | | |
|---------------------------------|----------------------------------|--------|---------|--------|---------|--------|----------|---------|---------|--------|----------|---------|
| | 2008 | | 2009 | | 2010 | | 2011 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| OCK | - | - | - | - | - | - | - | - | - | - | - | - |
| OCK Setia | 40,019 | 87.75 | 44,435 | 96.77 | 55,695 | 83.40 | 65,555 | 74.21 | 55,695 | 83.40 | 65,555 | 74.21 |
| OCK M&E | 5,031 | 11.03 | 436 | 0.95 | 4,293 | 6.43 | 3,953 | 4.47 | 4,293 | 6.43 | 3,953 | 4.47 |
| Delicom | 2,555 | 5.60 | 2,744 | 5.98 | 6,398 | 9.58 | 8,070 | 9.14 | 6,398 | 9.58 | 8,070 | 9.14 |
| Firatel | 158 | 0.35 | 461 | 1.00 | 3,387 | 5.07 | 3,618 | 4.10 | 3,387 | 5.07 | 3,618 | 4.10 |
| EI Power | - | - | - | - | 2,355 | 3.53 | 14,959 | 16.94 | 2,355 | 3.53 | 14,959 | 16.94 |
| Steadcom | - | - | - | - | 67 | 0.10 | 3,432 | 3.89 | 67 | 0.10 | 3,432 | 3.89 |
| Fortress Singapore | - | - | - | - | - | - | 613 | 0.69 | - | - | 613 | 0.69 |
| Fortress Malaysia | - | - | - | - | - | - | - | - | - | - | - | - |
| | 47,763 | 104.73 | 48,076 | 104.70 | 72,195 | 108.11 | 100,200 | 113.44 | 72,195 | 108.11 | 100,200 | 113.44 |
| Less: Inter-company elimination | (2,157) | (4.73) | (2,156) | (4.70) | (5,417) | (8.11) | (11,875) | (13.44) | (5,417) | (8.11) | (11,875) | (13.44) |
| | 45,606 | 100.00 | 45,920 | 100.00 | 66,778 | 100.00 | 88,325 | 100.00 | 66,778 | 100.00 | 88,325 | 100.00 |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) By activities

| | Proforma Audited FYE 31 December | | | | | |
|---|----------------------------------|--------|---------|--------|---------|--------|
| | 2008 | 2009 | | 2010 | | 2011 |
| | RM'000 | % | RM'000 | % | RM'000 | % |
| Investment holding | - | - | - | - | - | - |
| Telecommunications | 42,574 | 93.35 | 47,178 | 102.74 | 62,160 | 93.08 |
| network services: | | | | | | |
| - Turnkey | 15,956 | 34.99 | 15,828 | 34.47 | 12,272 | 18.37 |
| - Deployment | 22,620 | 49.60 | 30,993 | 67.49 | 49,689 | 74.41 |
| - Operations, maintenance and others | 3,998 | 8.76 | 357 | 0.78 | 199 | 0.30 |
| Green energy and power solutions | - | - | - | - | 2,355 | 3.53 |
| Trading of telecommunications and network security products and materials | 256 | 0.56 | 630 | 1.37 | 3,557 | 5.33 |
| M&E engineering services | 4,933 | 10.82 | 268 | 0.59 | 4,123 | 6.17 |
| | 47,763 | 104.73 | 48,076 | 104.70 | 72,195 | 108.11 |
| Less: Inter-company elimination | (2,157) | (4.73) | (2,156) | (4.70) | (5,417) | (8.11) |
| | 45,606 | 100.00 | 45,920 | 100.00 | 66,778 | 100.00 |
| | | | | | 88,325 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.2 Segmental Analysis of GP

(i) By company

| | Proforma Audited FYE 31 December | | | | | | | |
|------------------------------------|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| OCK | - | - | - | - | - | - | - | - |
| OCK Setia | 4,674 | 80.71 | 6,463 | 95.69 | 9,667 | 81.30 | 17,220 | 76.83 |
| OCK M&E | 840 | 14.51 | (41) | (0.61) | 323 | 2.72 | 521 | 2.33 |
| Delicom | 222 | 3.83 | 45 | 0.67 | 685 | 5.76 | 604 | 2.70 |
| Firate! | 28 | 0.48 | 158 | 2.34 | 918 | 7.72 | 1,110 | 4.95 |
| EI Power | - | - | - | - | 245 | 2.06 | 2,233 | 9.96 |
| Steadcom | - | - | - | - | (80) | (0.67) | 357 | 1.59 |
| Fortress Singapore | - | - | - | - | - | - | 200 | 0.89 |
| Fortress Malaysia | - | - | - | - | - | - | - | - |
| Less: Inter-company elimination | 5,764 | 99.53 | 6,625 | 98.09 | 11,758 | 98.89 | 22,245 | 99.25 |
| | 27 | 0.47 | 129 | 1.91 | 132 | 1.11 | 168 | 0.75 |
| | 5,791 | 100.00 | 6,754 | 100.00 | 11,890 | 100.00 | 22,413 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) By activities

| | Proforma Audited FYE 31 December -----> | | | | | | | |
|---|---|--------|--------|--------|--------|--------|--------|--------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Investment holding | - | - | - | - | - | - | - | - |
| Telecommunications network services: | 4,896 | 84.54 | 6,507 | 96.35 | 10,272 | 86.39 | 18,179 | 81.11 |
| - Turnkey | 1,822 | 31.46 | 2,650 | 39.24 | 2,056 | 17.29 | 7,714 | 34.42 |
| - Deployment | 2,789 | 48.16 | 3,822 | 56.59 | 8,201 | 68.97 | 10,098 | 45.05 |
| - Operations, maintenance and others | 285 | 4.92 | 35 | 0.52 | 15 | 0.13 | 367 | 1.64 |
| Green energy and power solutions | - | - | - | - | 245 | 2.06 | 2,233 | 9.96 |
| Trading of telecommunications and network security products and materials | 65 | 1.12 | 82 | 1.21 | 862 | 7.25 | 1,313 | 5.86 |
| M&E engineering services | 803 | 13.87 | 36 | 0.53 | 379 | 3.19 | 520 | 2.32 |
| | 5,764 | 99.53 | 6,625 | 98.09 | 11,738 | 98.89 | 22,245 | 99.25 |
| Less: Inter-company elimination | 27 | 0.47 | 129 | 1.91 | 132 | 1.11 | 168 | 0.75 |
| | 5,791 | 100.00 | 6,754 | 100.00 | 11,890 | 100.00 | 22,413 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
12.2.3 Analysis of GP margin
(i) By company

| | <----- Proforma Audited FYE 31 December -----> | | | |
|------------------------|--|--------------|--------------|--------------|
| | 2008 | 2009 | 2010 | 2011 |
| | % | % | % | % |
| OCK | - | - | - | - |
| OCK Setia | 11.68 | 14.54 | 17.36 | 26.27 |
| OCK M&E | 16.70 | (9.40) | 7.52 | 13.18 |
| Delicom | 8.69 | 1.64 | 10.71 | 7.48 |
| Firatel | 17.72 | 34.27 | 27.10 | 30.68 |
| El Power | - | - | 10.40 | 14.93 |
| Steadcom | - | - | (119.40) | 10.40 |
| Fortress Singapore | - | - | - | 32.63 |
| Fortress Malaysia | - | - | - | - |
| Group GP Margin | 12.70 | 14.71 | 17.81 | 25.38 |

(ii) By activities

| | <---- Proforma Audited FYE 31 December ----> | | | |
|---|--|--------------|--------------|--------------|
| | 2008 | 2009 | 2010 | 2011 |
| | % | % | % | % |
| Investment holding | - | - | - | - |
| Telecommunications | | | | |
| network services: | 11.50 | 13.79 | 16.53 | 23.59 |
| - Turnkey | 11.42 | 16.74 | 16.75 | 31.06 |
| - Deployment | 12.33 | 12.33 | 16.50 | 20.60 |
| - Operations, maintenance and others | 7.13 | 9.80 | 7.54 | 11.46 |
| Green energy and power solutions | - | - | 10.40 | 14.93 |
| Trading of telecommunications and network security products and materials | 25.39 | 13.02 | 24.23 | 29.99 |
| M&E engineering services | 16.28 | 13.43 | 9.19 | 13.66 |
| Group GP Margin | 12.70 | 14.71 | 17.81 | 25.38 |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.4 Segmental Analysis of PBT

(i) By company

| | 2008 | | 2009 | | 2010 | | 2011 | |
|--------------------|--------|--------|--------|---------|--------|--------|--------|--------|
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| OCK | - | - | - | - | - | - | (607) | (4.92) |
| OCK Setia | 324 | 62.43 | 1,564 | 122.95 | 3,883 | 77.83 | 10,100 | 81.91 |
| OCK M&E | 182 | 35.07 | (230) | (18.08) | 55 | 1.10 | 829 | 6.72 |
| Delicom | 9 | 1.73 | (100) | (7.86) | 531 | 10.64 | 409 | 3.32 |
| Firatel | 4 | 0.77 | 38 | 2.99 | 584 | 11.71 | 759 | 6.16 |
| El Power | - | - | - | - | 83 | 1.66 | 1,077 | 8.73 |
| Steadcom | - | - | - | - | (147) | (2.94) | 99 | 0.80 |
| Fortress Singapore | - | - | - | - | - | - | (332) | (2.69) |
| Fortress Malaysia | - | - | - | - | - | - | (4) | (0.03) |
| | 519 | 100.00 | 1,272 | 100.00 | 4,989 | 100.00 | 12,330 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) By activities

| | Proforma Audited FYE 31 December | | | | | | | |
|---|----------------------------------|---------|--------|---------|--------|--------|--------|--------|
| | 2008 | | 2009 | | 2010 | | 2011 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Investment holding | - | - | - | - | - | - | (607) | (4.92) |
| Telecommunications network services: | 333 | 64.16 | 1,464 | 115.09 | 4,267 | 85.53 | 10,608 | 86.03 |
| - Turkey | 88 | 16.95 | 906 | 71.22 | 769 | 15.41 | 5,007 | 40.60 |
| - Deployment | 354 | 68.21 | 562 | 44.18 | 3,499 | 70.14 | 5,504 | 44.64 |
| - Operations, maintenance and others | (109) | (21.00) | (4) | (0.31) | (1) | (0.02) | 97 | 0.79 |
| Green energy and power solutions | - | - | - | - | 84 | 1.68 | 1,077 | 8.73 |
| Trading of telecommunications and network security products and materials | 4 | 0.77 | 38 | 2.99 | 583 | 11.69 | 425 | 3.45 |
| M&E engineering services | 182 | 35.07 | (230) | (18.08) | 55 | 1.10 | 827 | 6.71 |
| | 519 | 100.00 | 1,272 | 100.00 | 4,989 | 100.00 | 12,330 | 100.00 |

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.2.5 Commentaries on our Group's Past Operating Results

(i) FYE 31 December 2008 compared to FYE 31 December 2007

Revenue

For FYE 31 December 2008, our Group's revenue grew by 111.26% or approximately RM24.02 million from RM21.59 million for FYE 31 December 2007 to RM45.61 million for FYE 31 December 2008. The increase was attributable to increase in telecommunications network services segment and mainly due to a WiMAX network deployment contract by Alcatel-Lucent and network deployment services and a turnkey contract for new sites by DiGi which had contributed to the increase by approximately RM19.61 million.

In addition, the increase in M&E engineering services also contributed to the overall increase in revenue resulting from a major project for army camp in Ampang, Selangor secured during FYE 31 December 2008 which contributed approximately RM4.93 million.

Cost of Sales

Concurrently, cost of sales also increased by approximately RM21.57 million or 118.19% from RM18.25 million for FYE 31 December 2007 to RM39.82 million for FYE 31 December 2008. The increase of 118.19% was much higher compared to the revenue growth of 111.26% due to higher set-up cost of our entry into turnkey projects. This has resulted in cost escalation in terms of higher sub-contracting cost and equipment rental charges.

GP

GP had increased by 73.35% or RM2.45 million despite the 111.26% increased in revenue. GP increased at lower rate than the revenue due to the higher set-up cost as mentioned above which had resulted in the GP margin deteriorating from 15.47% for FYE 31 December 2007 to 12.70% for FYE 31 December 2008.

PBT

Our Group recorded an improvement in PBT by approximately RM0.28 million from RM0.24 million for FYE 31 December 2007 to RM0.52 million for FYE 31 December 2008. This was attributable to the increase in gross profit by RM2.45 million and other income by RM0.45 million. This increase was off-set by the increase in finance costs by RM1.11 million and administrative expenses of RM1.51 million.

PAT

In FYE 31 December 2008, our Group recorded a PAT of RM0.17 million after deducting income tax expense of RM0.35 million. The increase in PAT was in line with the increase in PBT.

(ii) FYE 31 December 2009 compared to FYE 31 December 2008

Revenue

For FYE 31 December 2009, our Group's revenue improved marginally by RM0.31 million or 0.68% from RM45.61 million for FYE 31 December 2008 to RM45.92 million for FYE 31 December 2009.

Revenue from telecommunications network services remained the Group's main revenue contributor representing 98.08% of our Group's total revenue. Telecommunications network services' revenue had improved from RM42.57 million to RM47.18 million which represents

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

an increase of 10.83% or approximately RM4.61 million. This was mainly due to an increase in network deployment works from ZTE which consists of installation, testing and commissioning of equipment amounting approximately to RM3.81 million and new network deployment works for Huawei, Ericsson and Alcatel-Lucent which amounted approximately to RM6.75 million.

However, our group's M&E engineering services had decreased by 94.52% from RM4.93 million for FYE 31 December 2008 to RM0.27 million for FYE 31 December 2009. This was mainly due to the completion of a major project secured in FYE 31 December 2008, as well as a slowdown in the construction sector as a result of the global economy downturn commencing from second half of FYE 31 December 2008 which directly affected construction activities.

In conjunction with the increase in telecommunications engineering activities, our Group's trading activities which supplies telecommunication parts and materials had also improved by 142.31% from RM0.26 million to RM0.63 million.

Cost of Sales

Cost of sales decreased marginally by RM0.65 million or 1.63% from RM39.82 million for FYE 31 December 2008 to RM39.17 million for FYE 31 December 2009. This was mainly due to the completion of a major M&E project secured in FYE 31 December 2008 and the Group began to optimise the cost structure with the experience gained in FYE 31 December 2008 by closely monitoring sub-contractors performance in terms of efficiency. Further thereto, we were able to reduce cost by rendering for outsourcing services.

GP

Our Group's GP increased by 16.58% from RM5.79 million for FYE 31 December 2008 to RM6.75 million for FYE 31 December 2009 and the GP margin increased from 12.70% to 14.71% which is due to higher margin from testing, commissioning and maintenance project as compared to replacement of equipment project. In addition, Firatel recorded an improvement in GP margin from 17.72% for FYE 31 December 2008 to 34.27% for FYE 31 December 2009 due to lower cost of sales resulting from higher sales volume. This is also attributable to Firatel being the sole distributor of an approved range of products such as cables and antennas to cater to certain telecommunications operators and technology providers.

PBT

The increase in PBT comprised the increase in GP of RM0.96 million and an increase in rental income of RM0.17 million. However, PBT recorded an improvement by only RM0.75 million from RM0.52 million for FYE 31 December 2008 to RM1.27 million for FYE 31 December 2009, as the increase in PBT was offset by an increase in operating expenses of RM0.44 million, due to office/warehouse rental, bank charges and depreciation.

PAT

Our Group's PAT improved from RM0.17 million for FYE 31 December 2008 to RM0.80 million for FYE 31 December 2009. The increase in PAT was in line with the increase in PBT.

(iii) FYE 31 December 2010 compared to FYE 31 December 2009

Revenue

Our Group's revenue improved by 45.43% or RM20.86 million from RM45.92 million for FYE 31 December 2009 to RM66.78 million for FYE 31 December 2010. Telecommunications network services recorded an increase in revenue by 31.75% or RM14.98 million from RM47.18

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

million for FYE 31 December 2009 to RM62.16 million for FYE 31 December 2010. These increased in revenue was primarily due to new deployment contracts secured from Huawei and ZTE amounting to RM7.3 million, and works from existing deployment contracts from NEC and Ericson amounting to RM14.3 million.

In addition, contribution from our Group's M&E engineering services improved by 1,425.93% from RM0.27 million for FYE 31 December 2009 to RM4.12 million for FYE 31 December 2010 mainly due to M&E contracts secured for several fast food outlets, a factory and a university during the current financial year.

Our Group's trading income segment also recorded an improved revenue of 465.08% or RM2.93 million from RM0.63 million for FYE 31 December 2009 to RM3.56 million for FYE 31 December 2010. This was mainly attributed to the increase in orders from two (2) of our existing major customers to provide them with telecommunications network equipment and materials.

Furthermore, our Group's new venture into provisions of green energy and power solutions had also contributed positively since the acquisition of EI Power in the fourth quarter of FYE 31 December 2010, which had contributed approximately RM2.36 million in revenue. The main revenue contributors are from the provision of power generation equipment including engine-generators, alternators and other related equipment used for commercial, retail and factory buildings.

Cost of Sales

Despite the increase of 45.43% in revenue, the Group's overall cost of sales only increased by 40.13% from RM39.17 million for FYE 31 December 2009 to RM54.89 million for FYE 31 December 2010. This was mainly due to certain costs that did not increase in tandem with the increase in revenue mainly project expenses which include travelling expenses, accommodation and warehouse rental and labour/sub-contractor costs.

GP

Our Group's gross profit increased by 76.15% from RM6.75 million for FYE 31 December 2009 to RM11.89 million for FYE 31 December 2010 and our GP margin had improved from 14.71% to 17.81%. This was mainly contributed by the increase in gross profit from deployment segment with an increase by 114.66% or RM4.38 million as a result of lower costs as mentioned above.

Furthermore, the gross profit of our Group's trading activities improved by 975.00% or approximately RM0.78 million from RM0.08 million for FYE 31 December 2009 to RM0.86 million for FYE 31 December 2010. This was mainly due to market demand for our Group's products which in turn depends on the market condition and the need for these products by telecommunications operators.

PBT

Our Group recorded an increase in PBT by RM3.72 million from RM1.27 million for FYE 31 December 2009 to RM4.99 million for FYE 31 December 2010 and our Group's PBT margin had also improved from 2.77% for FYE 31 December 2009 to 7.47% for FYE 31 December 2010. This was mainly contributed by the increase in gross profit coupled with smaller increase in operating expenses which was not in tandem with the increase in revenue such as depreciation, staff costs and rental expenses.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

PAT

Our Group recorded an improvement in PAT by RM2.72 million from RM0.80 million for FYE 31 December 2009 to RM3.52 million for FYE 31 December 2010 which was consistent with the improvement in PBT as stated above.

(iv) FYE 31 December 2011 compared to FYE 31 December 2010

Revenue

For FYE 31 December 2011, our Group's revenue improved by 32.27% or approximately RM21.55 million from RM66.78 million for FYE 31 December 2010 to RM88.33 million for FYE 31 December 2011. The increase in revenue was mainly contributed from revenue generated from the telecommunication network services resulting from an increase in orders secured from our new and existing customers. This was primarily due to the increase in revenue from new and existing turnkey contracts secured for expansions of WiMAX and 3G coverage which amounted to a total of RM9.80 million.

Our Group's new venture into provisions of green energy and power solution in the fourth quarter of 2010 had also contributed approximately RM14.96 million in revenue, which was solely generated from sale of gen-sets, in the FYE 31 December 2011.

Cost of Sales

Cost of sales had increased by 20.08% from RM54.89 million for FYE 31 December 2010 to RM65.91 million for FYE 31 December 2011. This was mainly due to the increase in green energy and power solution segment from RM2.11 million for FYE 31 December 2010 to RM12.73 million for FYE 31 December 2011.

GP

Our Group's GP recorded an increase by 88.48% from RM11.89 million for FYE 31 December 2010 to RM22.41 million for FYE 31 December 2011. Our Group's GP margin had also increased from 17.81% in FYE 31 December 2010 to 25.38% in FYE 31 December 2011. This increase in GP margin was mainly contributed by the improved GP margin achieved from telecommunications network services activities. The increase in GP margin is due to improvement in cost efficiency arising from lower cost of materials, improved efficiency of sub-contracting works as a result of close monitoring by our Group as well as increased labour efficiency (i.e. employee output) as a result of:

- efficient job allocation whereby a team of staff undertaking telecommunications network services are allocated more sites to be attended to within a particular area;
- extensive on the job training provided to staff to enhance their skill sets which improves the duration of tasks performed as well as lowers the ratification work to be conducted thereafter; and
- economies of scale due to additional sites being constructed or serviced within the same area.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PBT

Our PBT increased by RM7.34 million from RM4.99 million for FYE 31 December 2010 to RM12.33 million for FYE 31 December 2011 representing an increase of 147.09%. This was mainly contributed from the improved GP from existing activities and contributions from our Group's venture in green energy and power solution since the fourth quarter of FYE 31 December 2010. In addition, the smaller increase in cost of sales which was not in tandem with the increase in revenue had also resulted in the improved PBT margin from 7.47% for FYE 31 December 2010 to 13.96% for FYE 31 December 2011.

PAT

In line with the increase in PBT, PAT had also increased by approximately RM5.68 million from RM3.52 million for FYE 31 December 2010 to RM9.20 million for FYE 31 December 2011. Other comprehensive income of RM3.42 million was mainly attributable to surplus arising from the revaluation of freehold and leasehold land and building.

General information for FYE 31 December 2008 to FYE 31 December 2011

Impact from foreign currency exchange rates

Our Group's revenue are mainly within the domestic market, i.e. Malaysia. Our Group's raw materials and trading products are sourced locally with approximately 17.32% of the total cost of sales are sourced from overseas suppliers for FYE 31 December 2011. Our exposure to foreign exchange risks is minimal due to the nature of workflow of our Group. OCK only places orders for its supplies once purchase orders are received. Hence, this allows minimal foreign currency exposure in terms of gains and/or losses. We have not experienced any significant gains or losses on foreign exchange rates during the four (4) financial years from FYE 31 December 2008 to FYE 31 December 2011.

| | <-----Proforma Audited FYE 31 December -----> | | | |
|-----------------------------|---|--------|--------|--------|
| | 2008 | 2009 | 2010 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net foreign exchange losses | - | - | 9 | 1 |

Impact from interest rates

Our Group's gearing stood at 1.46 times as at FYE 31 December 2011 and all our borrowings are interest bearing obligations. Bank Negara Malaysia has thus far in 2010 increased the Overnight Policy Rate several times to prevent any overheating in the economy and to counter inflation. However, 53.46% of our borrowings or about RM14.69 million is in the form of revolving project loan with a fixed interest rate of 7% per annum. Notwithstanding the above, any interest rate hike will affect businesses and hence, we will monitor and plan for alternative financing options should the need arise. During the four (4) years from FYE 31 December 2008 to 2011, our results were not adversely affected by interest rate fluctuations.

Impact from commodity prices

During the four (4) years from FYE 31 December 2008 to 2011, our results were not significantly affected by commodity price. If at anytime we are unable to absorb the bulk increase of the commodity price, we would discuss an appropriate variation in the frame agreements with our clients to negate any negative impact on our profit margins.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Impact of inflation

Our Group's financial performance during the four (4) years from FYE 31 December 2008 to 2011 were not significantly affected by the impact of inflation even though our Group had absorbed part of the inflation costs. Notwithstanding that, we do not foresee any problems arising from passing on portions of the effect of higher costs of sales due to inflation to our customers in the future. However, there is no assurance that our business will not be adversely affected by the impact of inflation in the future.

Political, economic and regulatory policies

Risks relating to political, economic and regulatory policies which may materially affect our business and financial performance are set out in Section 4.1(xi) of this Prospectus.

Save for a change in government regulations in relation to the products we sell, there is no material impact arising from government, economic, fiscal or monetary policies that could materially affect our operations and financial performance.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working Capital

Our business operations have been financed by a combination of internal and external sources of funds. Internal funds are mainly shareholders' equity and cash generated from the operations while the external sources are the various credit facilities extended to us by financial institutions and Malaysia Debt Ventures Berhad.

The following table sets out our proforma current and gearing ratio for the FYE 31 December 2008 to 2011:

| | ← Proforma Audited FYE 31 December → | | | |
|--------------------------------------|--------------------------------------|--------|--------|--------|
| | 2008 | 2009 | 2010 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current Assets | 27,895 | 31,943 | 35,652 | 51,055 |
| Current Liabilities | 26,856 | 30,136 | 31,411 | 38,707 |
| Current Ratio (times) | 1.04 | 1.06 | 1.14 | 1.32 |
| Borrowings | 23,141 | 22,013 | 22,158 | 27,481 |
| Total equity prior to Public Issue ^ | 3,572 | 4,400 | 8,207 | 18,779 |
| Gearing (times) | 6.48 | 5.00 | 2.70 | 1.46 |

Note:

^ Represents proforma equity attributable to the owners of OCK computed based on the assumption that our current Group structure has been in existence as at 1 January 2008.

As at FYE 31 December 2011, our Group's total current assets amounted to approximately RM51.06 million comprising mainly inventories, receivables and cash and bank balances and our current ratio is 1.32 times. In addition, as at FYE 31 December 2011, we have banking facilities amounting to RM36.73 million of which RM27.48 million have been utilised thus far resulting in a gearing level of 1.46 times as at FYE 31 December 2011 whilst our interest coverage ratio is 8.78 times based on our interest expenses for the FYE 31 December 2011. Further details of our Group's borrowings are disclosed in Section 12.3.3 of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(i) Current Ratio

Our current ratio has strengthened over the financial years under review from 1.04 times for FYE 31 December 2008 to 1.32 times for FYE 31 December 2011. The improvement was a result of current assets in the form of receivables and cash and cash equivalents which has grown in advance of the additional current liabilities incurred by our Group.

(ii) Gearing Ratio

The gearing ratio of our Group had decreased from 6.48 times in FYE 31 December 2008 to 1.46 times FYE 31 December 2011. The relatively high gearing ratio of our Group during the financial years under review is mainly contributed by the revolving project loan which was secured for the purpose of project financing for our Group's network deployment activities.

With our Group's profitability, the Board is confident that we will be able to generate sufficient working capital and/or secure necessary financing facilities to meet any of our further operations and future plans.

Our Directors are of the opinion that, after taking into account the cash and cash equivalents, the banking facilities made available to our Group as well as the net proceeds to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

12.3.2 Cash Flow Summary

The following table sets out the summary of our proforma consolidated statement of cash flows for the FYE 31 December 2011, which have been prepared for illustrative purposes only based on the assumption that our current Group structure has been in existence throughout the financial year under review and should be read in conjunction with the notes and assumptions included in the Reporting Accountants' Letter on Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

| | RM'000 |
|--|--------|
| Net operating cash flows | 938 |
| Net investing cash flows | 300 |
| Net financing cash flows | 2,625 |
| Net change in cash and cash equivalents | 3,863 |
| Cash and cash equivalents at the beginning of the financial year | 5,347 |
| Effects of exchange rate changes | (1) |
| Cash and cash equivalents at the end of the financial year | 9,209 |

Net operating cash flows

During the FYE 31 December 2011, our Group generated a cash inflow of RM0.94 million from our operating activities on the back of a PBT of RM12.33 million after adjusting for amongst others the following:

- working capital changes of RM3.58 million which includes increase in receivables of RM5.58 million, inventories of RM4.71 million and payables of RM1.58 million; and
- tax paid of RM2.69 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Net investing cash flows

During the FYE 31 December 2011, we recorded a net cash inflow of RM0.30 million in investing activities mainly due to the disposal of assets held for sale amounted to RM1.03 million, RM0.88 million and RM0.84 million were utilised for the purchase of property, plant and equipment and acquisition of subsidiary companies respectively.

Net financing cash flows

During the FYE 31 December 2011, we recorded a net cash inflow of RM2.63 million in financing activities mainly due to the drawdown on revolving of project loan which amounted to RM23.41 million. This cash receipts were offset by the repayment made for short term borrowings which amounted to RM19.27 million during the year.

Save as disclosed in Section 12.7 of this Prospectus, there is no legal, financial or economic restriction on the ability of our subsidiary companies to transfer funds to our Company in the form of cash dividends. Thus, we are confident we can meet our cash obligations as and when the need arises.

12.3.3 Borrowings

As at 31 December 2011, all our borrowings are secured local borrowings and interest bearing, details of which are as follows:

| | Note | Proforma | | Total RM'000 |
|------------------------|-------|--|---|-----------------|
| | | Payable within Twelve (12) Months RM'000 | Payable after Twelve (12) Months RM'000 | |
| Bills payable | (i) | 4,228 | - | 4,228 |
| Hire purchase payables | (ii) | 690 | 887 | 1,577 |
| Term loans | (iii) | 366 | 6,079 | 6,445 |
| Revolving project loan | (iv) | 14,691 | - | 14,691 |
| Bank overdrafts | | 540 | - | 540 |
| Total | | 20,515 | 6,966 | 27,481 |
| Gearing* | | | | 1.46 |
| Gearing^ | | | | 0.63 |

Notes:

- (i) Bills payable were trade financing facilities to finance the import/purchase of goods.
- (ii) Hire purchase payables were utilised to finance purchases of motor vehicles.
- (iii) Term loans were obtained to finance the acquisition of commercial and industrial properties.
- (iv) Revolving project loan was a project financing facility granted by Malaysia Debt Ventures Berhad.
- * Calculated based on proforma shareholders' funds before our Public Issue.
- ^ Calculated based on proforma shareholders' funds after Public Issue and utilisation of proceeds

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The details of the types of credit facilities that we use and its balances as at the LPD are as follows:

| Type of Financial Instruments | Tenure | Interest Rates | Credit Limit RM'000 | Balance as at the LPD RM'000 |
|-----------------------------------|--|--|---------------------|------------------------------|
| Bank overdrafts | - | 1.5% to 2% above bank's base lending rate | 4,250 | 3,212 |
| Bankers' acceptances | Between 90 to 120 days | 1% per annum bankers' acceptances' commission rate charged + bank's cost of fund | 10,700 | 6,796 |
| Letters of credit/ trust receipts | 120 days | Bank's base lending rate + 1.00% to 2% per annum. | | |
| Hire purchase | Ranging from 3 to 5 years | Between 4.09% to 6.57% per annum | 2,526 | 1,454 |
| Term loan | 240 months and 120 months installment commencing from first drawdown date of each drawdown | Bank's base lending rate minus 1.25% to 1.80% | 6,700 | 6,645 |
| Revolving project loan | Revolving with 9 months repayment period, expiring by January 2013 | 7% per annum | 18,200 | 15,060 |
| | Repayable on demand and maximum up to 210 days for each tranche of disbursement | 7.85% per annum | 10,000 | 7,884 |
| | | | <u>52,376</u> | <u>41,051</u> |

As at the LPD, our Group recorded a cash and cash equivalent balance of RM3.57 million.

As at the LPD, our Group does not have any non-interest bearing borrowings or foreign borrowings. We have not defaulted on any payment of either principal sum and/or interest in relation to our borrowings during FYE 31 December 2008 to 2011 and up to the LPD.

As at the LPD, neither our Company nor any of our subsidiary companies is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of securities in us.

12.3.4 Material Capital Commitments

As at the LPD, there is no material capital commitment incurred or known to be incurred by us or our subsidiary companies, which upon becoming enforceable, may have a material impact on our financial position.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.3.5 Material Litigation

As at the LPD, neither we nor our subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which may have a material and/or adverse effect on our financial position or business.

12.3.6 Contingent Liabilities

As at the LPD, saved as disclosed below, our Board is not aware of any other indirect and/or material contingent liability which has become enforceable or is likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

| | Amount RM'000 |
|--|------------------|
| Corporate guarantee given by OCK Setia to secure credit facilities granted to: | |
| - OCK M&E | 1,600 |
| Performance guarantees issued in favour of third parties for performance of contracts such as performance bonds granted to telecommunications operators: | |
| - OCK Setia | 4,808 |
| - Firatel | 100 |
| - El Power | 14 |
| | 6,522 |

12.4 FINANCIAL INSTRUMENTS FOR HEDGING

Our Group has a forward contract facility amounting to RM9.0 million but not utilised as at the LPD.

12.5 KEY FINANCIAL RATIOS

12.5.1 Trade Receivables

A summary of trade receivables of the proforma Group for the four (4) FYE 31 December 2008 to 2011 are set out below:

| | <-- Proforma Audited FYE 31 December ----> | | | |
|--|--|----------------|----------------|----------------|
| | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 |
| Trade receivables | 19,220 | 19,958 | 19,116 | 24,262 |
| Revenue | 45,606 | 45,920 | 66,778 | 88,325 |
| Percentage of trade receivables to revenue (%) | 42.14 | 43.46 | 28.63 | 27.47 |
| Trade receivables turnover period (days) | 154 | 159 | 104 | 100 |

The normal credit period generally granted by our Group to our customers is between 30 days to 90 days. Our credit terms to customers are assessed and approved on a case-by-case basis. Our trade receivables turnover period has historically been higher than our Group's credit period granted to our customers, mainly due to high volume of work orders received from customers towards end of the calendar year as it is normal in telecommunications network services whereby there is higher capital expenditure made by the telecommunications operator towards the end of the year.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Further thereto, there are instances whereby delays in payments by customers are due to finalisation of project details between site supervisors, our Group and the head offices of such telecommunications operators as well as technology providers, which increase receivable turnover period. Further, it is the industry practice whereby billings can only be made upon completion of the construction of the sites and are usually carried out in batches. Whilst this is a norm in the industry, we ensure that our project management team records and compile project documentations in the proper order to ensure prompt payment. However, there is no assurance that we are able to receive payment promptly due to work flow at the customers' end. Any delay in payment will affect our cash flows position but is mitigated by the use of project financing which is obtained for larger projects. Such project financing are a requirement by some customers to ensure continuity of work performance by our Group in the event of any financial constraints including delay in payments by the customers. Project financing increases our gearing ratio when utilised. However, the use of project financing ensures that both the customer and we are able to complete such project in a timely manner and the projects are not affected by any payment delays as detailed above.

Nevertheless, we ensure that proper diligence is conducted in terms of evaluation of credit risk assessments, project size and customers' funding to ensure such delays whilst undeniably exists, is mitigated thoroughly and that our project financing and subsequently gearing, does not increase unnecessarily and without diligent monitoring.

As at the LPD, we have not experienced any instances of significant bad debts for the financial years under review. Our Group will assess the impairment of trade receivable on individual customer basis and impair trade receivable balances which have been outstanding for more than six (6) months. As at the LPD, we have made an allowance for doubtful debts at M&E services segment which amounted to RM0.27 million for the FYE 31 December 2011.

The trade receivables turnover period was higher for FYE 31 December 2008 and FYE 31 December 2011 mainly due to more work orders received during the last quarter of the respective years and the extended credit period granted to two (2) of our major customers.

Further details of our Group's gearing ratio are disclosed in Section 12.3.1 of this Prospectus.

As at 31 December 2011, the analysis of the net trade receivables of our Group amounted to approximately RM23.96 million are as follows:

| | <---Within Credit Period (days) --> | | | Exceeding Credit | | Total |
|---|-------------------------------------|---------|---------|--|----------|----------|
| | 0 - 30 | 31 - 60 | 61 - 90 | <-----Period (days) -----> 91 - 120 | Over 120 | |
| Trade receivables (RM'000) | 10,213 | 8,810 | 3,166 | 857 | 1,485 | 24,531 |
| Less: Impairment loss (RM'000) | - | - | - | - | (269) | (269) |
| | 10,213 | 8,810 | 3,166 | 857 | 1,216 | 24,262 |
| Less: Retention sum (RM'000) | (41) | - | - | - | (259) | (300) |
| Net trade receivables (RM'000) | 10,172 | 8,810 | 3,166 | 857 | 957 | 23,962 |
| Percentage of total net trade receivables (%) | 42.45 | 36.77 | 13.21 | 3.58 | 3.99 | 100.00 |
| Subsequent collections as at the LPD (RM'000) | (9,934) | (8,690) | (3,141) | (790) | (83) | (22,638) |

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

| | <---Within Credit Period (days)--> | | | Exceeding Credit <----Period (days)----> | | Total |
|--|------------------------------------|---------|---------|---|----------|--------|
| | 0 – 30 | 31 – 60 | 61 – 90 | 91 – 120 | Over 120 | |
| Net trade receivables net of subsequent collections (RM'000) | 238 | 120 | 25 | 67 | 874 | 1,324 |
| Percentage of net trade receivables net of subsequent collections to total net trade receivables (%) | 0.99 | 0.50 | 0.10 | 0.28 | 3.65 | 5.52 |
| Revenue (RM'000) | | | | | | 88,325 |
| Percentage of net trade receivables net of subsequent collections to revenue (%) | | | | | | 1.50 |

As at the LPD, all trade receivables outstanding have been collected save for RM1.32 million which represents 5.52% of the total receivables as at FYE 31 December 2011. We have collected a total of RM22.64 million of the outstanding amount subsequent to the LPD. The remaining unsettled balances were mainly due to finalisation of project account with a major customer and amounts receivable by customers from green energy and power solutions segment which would be settled within a period of twelve (12) months after the implementation of the systems.

12.5.2 Trade Payables

A summary of trade payables of the proforma Group for the four (4) FYE 31 December 2008 to 2011 are set out below:

| | <--- Proforma Audited FYE 31 December ----> | | | |
|---|---|----------------|----------------|----------------|
| | 2008 RM'000 | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 |
| Trade payables | 8,667 | 11,425 | 10,162 | 13,205 |
| Cost of sales | 39,815 | 39,166 | 54,888 | 65,912 |
| Percentage of trade payables to cost of sales (%) | 21.77 | 29.17 | 18.51 | 20.03 |
| Trade payables turnover period (days) | 79 | 106 | 68 | 73 |

The normal credit terms granted to our Group by our suppliers ranges from 30 days to 90 days. Our trade payables turnover period ranged from approximately 68 days to 106 days during the financial years under review. The trade payable turnover period was higher for FYE 31 December 2009 mainly due to higher year end billing and more projects awarded towards the last quarter of the year.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

As at FYE 31 December 2011, the analysis of the net trade payables of our Group amounted to approximately RM0.13 million are as follows:

| | <-- Within Credit Period (days) --> | | | Exceeding Credit | | Total |
|---|-------------------------------------|---------|---------|-------------------------------------|----------|----------|
| | 0 - 30 | 31 - 60 | 60 - 90 | <--- Period (days) ---> 90 - 120 | Over 120 | |
| Trade payables (RM'000) | 6,931 | 2,969 | 1,904 | 701 | 700 | 13,205 |
| Less: Retention sum (RM'000) | - | - | - | - | (51) | (51) |
| Net trade payables | 6,931 | 2,969 | 1,904 | 701 | 649 | 13,154 |
| Percentage of total net trade payables (%) | 52.69 | 22.57 | 14.48 | 5.33 | 4.93 | 100.00 |
| Subsequent payments as at the LPD (RM'000) | (6,899) | (2,969) | (1,903) | (701) | (608) | (13,080) |
| Net trade payables net of subsequent payments (RM'000) | 32 | - | 1 | - | 41 | 74 |
| Percentage of net trade payables net of subsequent payments to total net trade payables (%) | 0.24 | - | 0.01 | - | 0.31 | 0.56 |

As at the LPD, all trade payables outstanding have been paid, save for RM0.07 million which represents 0.56% of the total payables as at FYE 31 December 2011. A significant portion of the balance of trade payables, after subsequent payments of approximately RM13.08 million, is due to delays occurring from finalisation of project accounts by the contractor(s) and the contract owner once an M&E project is completed, hence lengthening the completion of payment to us.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.5.3 Inventories

A summary of inventories of the proforma Group for the four (4) FYE 31 December 2008 to 2011 are set out below:

| | <----- Proforma Audited FYE 31 December -----> | | | |
|--|--|--------|--------|--------|
| | 2008 | 2009 | 2010 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Work in progress | 1,535 | 3,770 | 2,635 | 5,766 |
| Raw material | 927 | 1,512 | 1,518 | 2,475 |
| Finished goods | - | - | - | 545 |
| Goods in transit | - | - | - | 73 |
| | 2,462 | 5,282 | 4,153 | 8,859 |
| Cost of sales | 39,815 | 39,166 | 54,888 | 65,912 |
| Percentage of inventories to cost of sales (%) | 6.18 | 13.49 | 7.57 | 13.44 |
| Inventories turnover period (days) | 23 | 49 | 28 | 49 |

Our Group's inventories are controlled by the warehousing department and the inventories required varies in accordance with the respective project requirements. Our Group always work closely with our clients and project managers in inventory planning and requirements throughout the project period.

Generally, the average inventory holding period for our Group is 60 days. For our trading and provisions for green energy and power solutions, orders will be made upon demand. Our inventories turnover period are at 23 days, 49 days, 28 days and 49 days for FYE 31 December 2008, FYE 31 December 2009, FYE 31 December 2010 and FYE 31 December 2011 respectively, all of which is within our average inventories holding period.

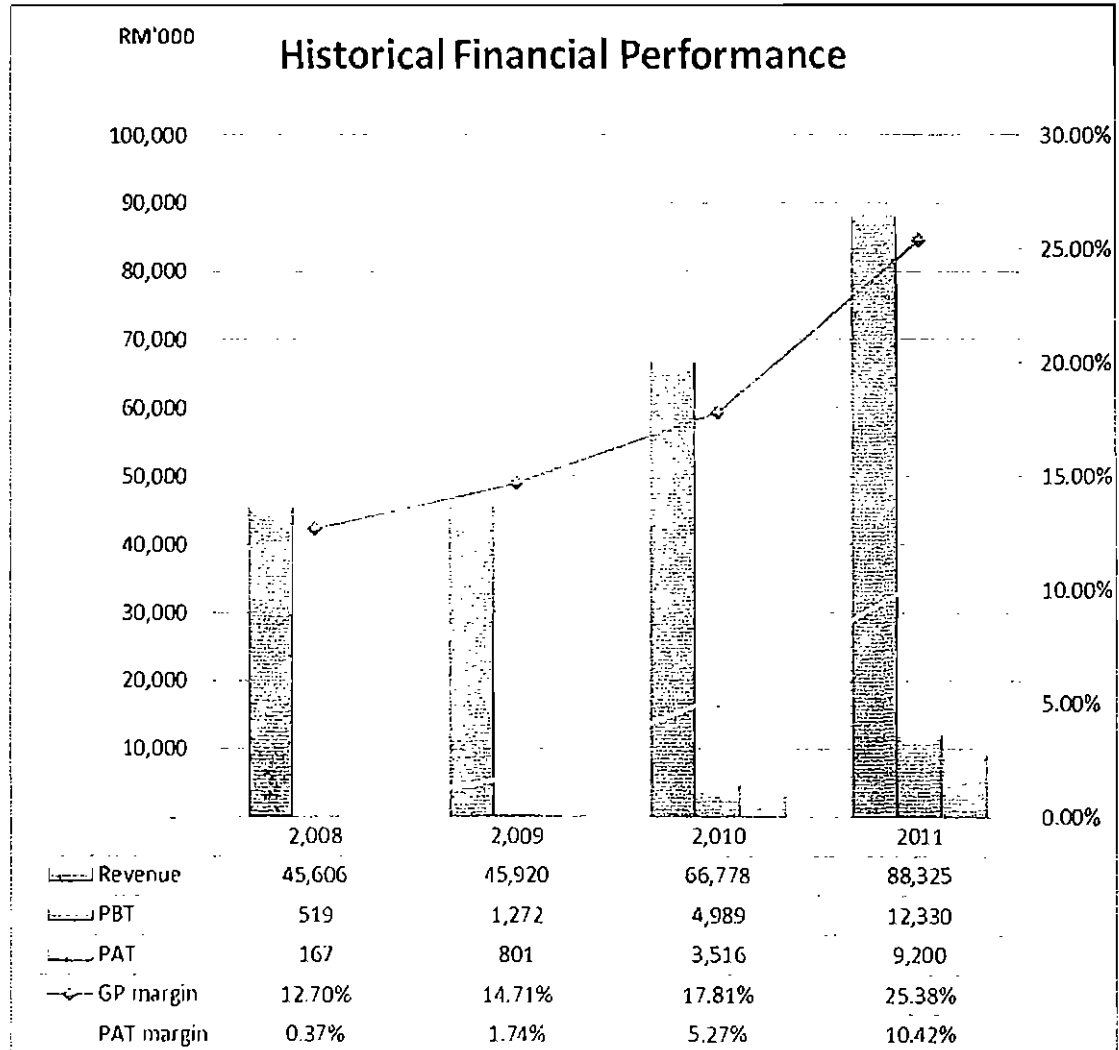
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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.6 SIGNIFICANT TRENDS

12.6.1 Revenue and Business and Financial Prospects

Based on the financial performance and business operations of our Group over the four (4) FYE 31 December 2008 to 2011, the following trends were observed:



The Group recorded a growth in revenue from RM45.61 million in FYE 31 December 2008 to RM88.33 million in FYE 31 December 2011.

The revenue growth of 32.27% or approximately RM21.55 million from FYE 31 December 2010 to FYE 31 December 2011 was mainly due to contribution from new and existing turnkey contracts secured for expansions of WiMAX and 3G coverage from existing and new customers and new venture into provisions of green energy and power solution in the fourth quarter of 2010.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

The overall increase in business volume is in line with the growth of the telecommunications industry. The Board believes that the growth momentum is sustainable in the next few years based on the following factors:

- According to the market research conducted by Protégé Associates, the total revenue of the telecommunications network services market in Malaysia stood at RM5.80 billion in 2011. By 2016, this is expected to grow to RM6.70 billion, representing a CAGR of 2.9% over the next five (5) years;
- The growing prominence of broadband internet and the need for corresponding infrastructure advancement in technology of ICT products leading to greater use and need for telecommunications networks;
- The continued need for capital expenditure among telecommunications operators (especially mobile operators) to upgrade and update networks; and
- The increasing use of telecommunications technology for business and personal applications.

Our GP margin has been on an increasing trend, ranging from 12.70% to 25.38% over the four (4) FYE 31 December 2008 and FYE 31 December 2011. Despite the competitive nature of the telecommunications industry, we believe that our competitive strength, amongst others, being an established telecommunications network service provider for more than ten (10) years with a proven track record, will guide the continued growth of our GP.

Please refer to Section 12.2.5 of this Prospectus for further information on revenue and GP of our Group.

Please refer to Section 7 of this Prospectus for further information on our industry's prospects.

12.6.2 Directors' Declaration on our Group's Financial Performance

As at the LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have a material impact on our financial performance, position and operations other than those discussed in this section and Sections 4, 6 and 7 of this Prospectus;
- (ii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations save as disclosed in this section and Section 4 of this Prospectus;
- (iii) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our revenue and/or profits, save for those that have been disclosed in this section and Sections 4, 6 and 7 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have had, or that we reasonably expect to have, a material impact on our liquidity and capital resources other than those discussed in this section and Sections 4, 6 and 7 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future financial performance and position other than those discussed in this section and Section 4 of this Prospectus.

Based on the outlook of the telecommunications industry in Malaysia as set out in Section 7 of this Prospectus, our Group's competitive strengths as set out in Section 6.5 of this Prospectus and our future plans as set out in Section 6.15 of this Prospectus, our Board is optimistic about the future prospects of our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.7 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of any final dividends are subject to the discretion of our Board and any final dividend proposed is subject to our shareholders' approval.

Upon Listing, our Board intends to adopt a stable and sustainable dividend policy to allow our shareholders to participate in the profits of our Group while maintaining an optimal capital structure and ensuring sufficient funds for our future growth.

Investors should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which are subject to our Board's absolute discretion.

Our ability to pay future dividends to our shareholders is subject to various factors including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditure plans.

As our Company is an investment holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiary companies. The payment of dividends or other distributions by our subsidiary companies will depend on their operation results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective board of directors deem relevant.

12.8 FUTURE FINANCIAL INFORMATION

There will be no future financial information for the FYE 31 December 2012 which has been prepared for the inclusion into this Prospectus.

Our Board is not aware of material adverse information or known facts about our liquidity, capital resources and future results of operations which would reasonably have any material adverse effect on the financial condition and results of Group which would make the historical information herein irrelevant to investors' evaluation.

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