

Company No.: 955915-M

OCC GROUP BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2014

OCK GROUP BERHAD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2014**

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OOCK GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 14 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	<u>17,056,050</u>	<u>(27,916)</u>
Profit/(Loss) attributable to:		
Owners of the Company	15,586,670	(27,916)
Non-controlling interests	<u>1,469,380</u>	<u>-</u>
	<u>17,056,050</u>	<u>(27,916)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2014.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off as bad debts inadequate to any substantial extent or render it necessary to make any provision for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent liabilities or other liabilities of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (i) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the following ordinary shares of RM0.10 each were issued:

Date	Purpose of issue	Number of shares	Price RM/share	Total consideration RM	Term of issue
06.06.2014	Private placement for working capital	28,490,000	1.30	37,037,000	Cash
25.06.2014	Private placement for working capital	28,490,000	1.30	37,037,000	Cash
11.11.2014	Acquisition of a subsidiary	10,227,272	1.10	11,250,000	Equity
27.11.2014	Bonus issue	176,053,636	0.10	17,605,364	Equity

The new ordinary shares issued during the financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

No debentures were issued during the financial year.

DIRECTORS

The directors in office since the date of the last report are:

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

DIRECTORS INTEREST

According to the registers required to be kept under Section 134 of the Companies Act, 1965 in Malaysia, the interests of the directors in office at the end of the financial year in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2014 are as follows:-

	Number of ordinary shares of RM0.10 each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
The Company				
Direct interest				
Low Hock Keong	7,360,000	3,480,000*	(400,000)	6,960,000
Chang Tan Chin	4,020,000	1,910,000*	(200,000)	3,820,000
Chong Wai Yew	3,520,000	1,760,000*	-	3,520,000
Ooi Chin Khoon	3,500,000	1,750,000*	-	3,500,000
Indirect interest				
Abdul Halim Bin Abdul Hamid ¹	148,765,000	70,107,500	(8,550,000)	210,322,500
Ooi Chin Khoon ²	149,595,000	72,108,850	(8,977,300)	212,726,550
Low Hock Keong ³	-	2,217,000	(300,000)	1,917,000

Shareholdings in the Ultimate Holding Company - Aliran Armada Sdn. Bhd.

	Number of ordinary shares of RM1 each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
Indirect interest				
Abdul Halim Bin Abdul Hamid	1,200,000	-	-	1,200,000
Ooi Chin Khoon	600,000	-	-	600,000

* Increase pursuant to the Bonus Issue of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.10 each.

¹ Deemed interested by virtue of Section 6A of the Companies Act, 1965 in Malaysia.

² Deemed interested by virtue of Section 6A and 122A of the Companies Act, 1965 in Malaysia.

³ Deemed interested by virtue of Section 122A of the Companies Act, 1965 in Malaysia.

None of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 46 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 47 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Aliran Armada Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

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AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution dated 29 April 2015.

OOI CHIN KHOON

ABDUL HALIM BIN ABDUL HAMID

Company No.: 955915-M

Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 11 to 103 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 104 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Securities.

Signed on behalf of the Board in accordance with a resolution dated 29 April 2015.

OOI CHIN KHOON

ABDUL HALIM BIN ABDUL HAMID

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Liew Kok Seong, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 11 to 103 and the supplementary information as set out on page 104 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 29 April 2015

LIEW KOK SEONG

Before me

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OCK GROUP BERHAD**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of OCK Group Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 103.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OCK GROUP BERHAD (cont'd)**
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 104 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OCK GROUP BERHAD (cont'd)**
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

BAKER TILLY MONTEIRO HENG
AF 0117
Chartered Accountants

HENG FU JOE
2966/11/16(J)
Chartered Accountant

Kuala Lumpur
29 April 2015

OCK GROUP BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	4	185,892,024	152,162,884	-	-
Cost of sales	5	(137,312,809)	(112,937,394)	-	-
Gross profit		48,579,215	39,225,490	-	-
Other income		1,518,329	1,892,011	1,028,427	173,144
Administrative expenses		(21,274,793)	(16,760,887)	(1,056,343)	(697,156)
Other operating expenses		(1,061,189)	(128,465)	-	-
		<u>(22,335,982)</u>	<u>(16,889,352)</u>	<u>(1,056,343)</u>	<u>(697,156)</u>
Profit/(Loss) from operations		27,761,562	24,228,149	(27,916)	(524,012)
Finance costs	6	(4,005,017)	(3,069,367)	-	-
Profit/(Loss) before taxation	7	23,756,545	21,158,782	(27,916)	(524,012)
Taxation	8	(6,700,495)	(5,867,890)	-	34,771
Profit/(Loss) for the financial year		17,056,050	15,290,892	(27,916)	(489,241)
Other comprehensive (loss)/income					
Items that may not be reclassified subsequently to profit or loss					
Realisation of revaluation reserve		81,260	69,976	-	-
Income tax relating to components of other comprehensive income		4,104	3,510	-	-
		85,364	73,486	-	-
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(89,837)	-	-	-
Other comprehensive (loss)/income for the financial year		<u>(4,473)</u>	<u>73,486</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial year		<u>17,051,577</u>	<u>15,364,378</u>	<u>(27,916)</u>	<u>(489,241)</u>

OCC GROUP BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) attributable to:					
Owners of the Company		15,586,670	13,581,849	(27,916)	(489,241)
Non-controlling interests		1,469,380	1,709,043	-	-
		<u>17,056,050</u>	<u>15,290,892</u>	<u>(27,916)</u>	<u>(489,241)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		15,582,197	13,655,335	(27,916)	(489,241)
Non-controlling interests		1,469,380	1,709,043	-	-
		<u>17,051,577</u>	<u>15,364,378</u>	<u>(27,916)</u>	<u>(489,241)</u>
Earnings Per Share (Sen)					
- Basic and diluted	9	<u>4.66</u>	<u>4.99</u>		

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

OCK GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	64,468,866	68,199,823	-	-
Investment properties	11	10,087,854	-	-	-
Intangible assets	12	19,407,684	-	-	-
Deferred tax assets	13	117,479	-	-	-
Investment in subsidiaries	14	-	-	19,882,215	19,382,315
		<u>94,081,883</u>	<u>68,199,823</u>	<u>19,882,215</u>	<u>19,382,315</u>
Current assets					
Inventories	15	23,873,304	18,200,762	-	-
Other investments	16	453,527	284,227	-	-
Trade and other receivables	17	99,210,530	65,559,264	69,250,586	33,106,552
Amount due from contract customers	18	11,188,703	6,183,414	-	-
Tax assets		99,034	-	-	-
Cash and cash equivalents	19	73,762,080	26,229,366	46,873,174	1,035,991
		<u>208,587,178</u>	<u>116,457,033</u>	<u>116,123,760</u>	<u>34,142,543</u>
TOTAL ASSETS		<u><u>302,669,061</u></u>	<u><u>184,656,856</u></u>	<u><u>136,005,975</u></u>	<u><u>53,524,858</u></u>
EQUITY AND LIABILITIES					
Equity					
Share capital	20	52,816,091	28,490,000	52,816,091	28,490,000
Share premium	21	84,187,096	26,739,424	84,187,096	26,739,424
Foreign currency translation reserve	22	(283,253)	(25,667)	-	-
Revaluation reserve	23	5,245,160	3,279,567	-	-
Reverse acquisition reserve		(17,007,122)	(17,007,122)	-	-
Retained earnings/ (Accumulated losses)		53,840,632	38,258,435	(1,851,629)	(1,823,713)
		<u>178,798,604</u>	<u>79,734,637</u>	<u>135,151,558</u>	<u>53,405,711</u>
Non-controlling interests		<u>8,246,250</u>	<u>3,934,263</u>	<u>-</u>	<u>-</u>
Total Equity		<u><u>187,044,854</u></u>	<u><u>83,668,900</u></u>	<u><u>135,151,558</u></u>	<u><u>53,405,711</u></u>

OCK GROUP BERHAD
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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (cont'd)

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Liabilities					
Non-current liabilities					
Borrowings	24	32,279,716	19,511,533	-	-
Deferred tax liabilities	13	2,973,229	937,090	-	-
		<u>35,252,945</u>	<u>20,448,623</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Amount due to contract customers	18	1,262,840	202,005	-	-
Trade and other payables	32	44,457,725	35,382,619	854,417	119,147
Post employment benefit liabilities	33	158,852	-	-	-
Borrowings	24	32,209,001	42,516,382	-	-
Tax liabilities		2,282,844	2,438,327	-	-
		<u>80,371,262</u>	<u>80,539,333</u>	<u>854,417</u>	<u>119,147</u>
Total Liabilities		<u>115,624,207</u>	<u>100,987,956</u>	<u>854,417</u>	<u>119,147</u>
TOTAL EQUITY AND LIABILITIES		<u>302,669,061</u>	<u>184,656,856</u>	<u>136,005,975</u>	<u>53,524,858</u>

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

OCK GROUP BERHAD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Note	Attributable to owners of the Parent					Distributable Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Reverse Acquisition Reserve RM				
As at 1.1.2013		25,900,000	17,691,945	(14,630)	3,349,543	(17,007,122)	25,898,100	55,817,836	2,078,183	57,896,019
Comprehensive income										
Profit for the financial year		-	-	-	-	-	13,581,849	13,581,849	1,709,043	15,290,892
Other comprehensive income										
Realisation of revaluation reserves		-	-	-	-	-	73,486	73,486	-	73,486
Total comprehensive income for the financial year		-	-	-	-	-	13,655,335	13,655,335	1,709,043	15,364,378
Transactions with owners										
Acquisition of subsidiaries		-	-	-	-	-	-	-	147,037	147,037
Dividend	34	-	-	-	-	-	(1,295,000)	(1,295,000)	-	(1,295,000)
Foreign currency differences				(11,037)	-	-	-	(11,037)	-	(11,037)
Issuance of shares pursuant to private placement	20	2,590,000	9,583,000	-	-	-	-	12,173,000	-	12,173,000
Realisation of revaluation reserves	23	-	-	-	(69,976)	-	-	(69,976)	-	(69,976)
Share issuance expenses	21	-	(535,521)	-	-	-	-	(535,521)	-	(535,521)
Total transactions with owners		2,590,000	9,047,479	(11,037)	(69,976)	-	(1,295,000)	10,261,466	147,037	10,408,503
At 31.12.2013		28,490,000	26,739,424	(25,667)	3,279,567	(17,007,122)	38,258,435	79,734,637	3,934,263	83,668,900

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	Attributable to owners of the Parent					Distributable Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM
		Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Reverse Acquisition Reserve RM				
Group										
As at 1.1.2014		28,490,000	26,739,424	(25,667)	3,279,567	(17,007,122)	38,258,435	79,734,637	3,934,263	83,668,900
Comprehensive income										
Profit for the financial year		-	-	-	-	-	15,586,670	15,586,670	1,469,380	17,056,050
Other comprehensive income										
Foreign currency translation reserve	22			(257,586)			-	(257,586)	167,749	(89,837)
Realisation of revaluation reserves		-	-	-	-	-	85,364	85,364	-	85,364
Total other comprehensive loss for the financial year		-	-	(257,586)	-	-	85,364	(172,222)	167,749	(4,473)
Total comprehensive income for the financial year		-	-	(257,586)	-	-	15,672,034	15,414,448	1,637,129	17,051,577

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

Group	Note	Attributable to owners of the Parent					Distributable Retained Earnings RM	Non- Controlling Interests RM	Total Equity RM	
		Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Reverse Acquisition Reserve RM				Total RM
Transactions with owners										
Arising from investment in subsidiaries		-	-	-	-	-	-	2,750,162	2,750,162	
Arising from revaluation of property, plant and equipment		-	-	-	2,046,853	-	2,046,853	-	2,046,853	
Disposal of a subsidiary	36	-	-	-	-	-	-	(75,304)	(75,304)	
Foreign currency differences		-	-	-	-	-	(89,837)	-	(89,837)	
Realisation of revaluation reserves	23	-	-	-	(81,260)	-	(81,260)	-	(81,260)	
Issuance of shares pursuant to:										
- acquisition of a subsidiary	20	1,022,727	10,227,272	-	-	-	-	-	11,249,999	
- bonus issue		17,605,364	(17,605,364)	-	-	-	-	-	-	
- private placement	20	5,698,000	68,376,000	-	-	-	-	-	74,074,000	
Share issuance expenses	21	-	(3,550,236)	-	-	-	-	-	(3,550,236)	
Total transactions with owners		24,326,091	57,447,672	-	1,965,593	-	(89,837)	83,649,519	2,674,858	86,324,377
At 31.12.2014		52,816,091	84,187,096	(283,253)	5,245,160	(17,007,122)	53,840,632	178,798,604	8,246,250	187,044,854

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

OCK GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		<-----Non-distributable----->		Distributable	
	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
Company					
As at 1.1.2013		25,900,000	17,691,945	(39,472)	43,552,473
Comprehensive loss					
Loss for the financial year		-	-	(489,241)	(489,241)
Total comprehensive loss for the financial year		-	-	(489,241)	(489,241)
Transactions with owners					
Issuance of shares pursuant to private placement	20	2,590,000	9,583,000	-	12,173,000
Dividend	34	-	-	(1,295,000)	(1,295,000)
Share issuance expenses	21	-	(535,521)	-	(535,521)
Total transactions with owners		2,590,000	9,047,479	(1,295,000)	10,342,479
At 31.12.2013		28,490,000	26,739,424	(1,823,713)	53,405,711
Comprehensive loss					
Loss for the financial year		-	-	(27,916)	(27,916)
Total comprehensive loss for the financial year		-	-	(27,916)	(27,916)
Transactions with owners					
Issuance of shares pursuant to:					
- acquisition of a subsidiary	20	1,022,727	10,227,272	-	11,249,999
- bonus issue		17,605,364	(17,605,364)	-	-
- private placement	20	5,698,000	68,376,000	-	74,074,000
Share issuance expenses		-	(3,550,236)	-	(3,550,236)
Total transactions with owners		24,326,091	57,447,672	-	81,773,763
At 31.12.2014		52,816,091	84,187,096	(1,851,629)	135,151,558

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

OCK GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Cash Flows from Operating Activities					
Profit/(Loss) before taxation		23,756,545	21,158,782	(27,916)	(524,012)
Adjustments for:					
Amortisation of intangible assets	12	504,792	-	-	-
Bad debts written off		44,644	-	-	-
Depreciation of property, plant and equipment	10	4,515,615	2,030,238	-	-
Deposits written off		8,050	-	-	-
Provision for post employment benefits	33	59,178	-	-	-
Gain on disposal of property, plant and equipment		(142,995)	(91,082)	-	-
Impairment of goodwill	12	-	1,110	-	-
Interest expense		4,005,017	3,069,367	-	-
Interest income		(488,977)	(219,711)	(490,427)	(41,144)
Property, plant and equipment written-off	10	178,538	-	-	-
Unrealised loss on foreign exchange		216,347	39,441	-	-
Operating profit/(loss) before working capital changes		32,656,754	25,988,145	(518,343)	(565,156)
Inventories		(5,775,106)	(5,097,958)	-	-
Receivables		(33,656,806)	(5,427,973)	-	(10,600)
Payables		8,000,910	6,909,247	735,270	71,320
Cash generated from/(used in) operations		1,225,752	22,371,461	216,927	(504,436)
Interest paid		(156,625)	(97,626)	-	-
Interest received		488,977	219,711	490,427	41,144
Tax paid		(6,487,592)	(6,001,622)	-	(2,542)
Tax refunded		-	4,718	-	-
Net cash (used in)/from operating activities		(4,929,488)	16,496,642	707,354	(465,834)

OCK GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)**

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Cash Flows from Investing Activities					
Additional investment in a subsidiary		-	-	(499,900)	-
Effect of acquisition of a subsidiary, net of cash acquired	35	(9,325,231)	11,530	-	(982,317)
Effect of disposal of a subsidiary, net of cash disposed	36	34,518	-	-	-
Proceeds from disposal of property, plant and equipment		9,676,345	128,838	-	-
Purchase of property, plant and equipment	10	(4,735,867)	(34,271,452)	-	-
Purchase of other investments	16	(169,300)	(284,227)	-	-
Net cash used in investing activities		(4,519,535)	(34,415,311)	(499,900)	(982,317)
Cash Flows from Financing Activities					
Advances to subsidiaries		-	-	(24,894,035)	(16,658,378)
Interest paid		(3,848,392)	(2,971,741)	-	-
Dividend paid	34	-	(1,295,000)	-	(1,295,000)
Deposit held for security values		-	(100,590)	-	-
Net (repayment)/drawdown of borrowings		(10,377,322)	16,449,444	-	-
Proceeds from issuance of shares arising from:					
- private placement	20	74,074,000	12,173,000	74,074,000	12,173,000
- ordinary shares to non-controlling interest		376,187	147,037	-	-
Share issuance expenses	21	(3,550,236)	(535,521)	(3,550,236)	(535,521)
Net cash from/(used in) financing activities		56,674,237	23,866,629	45,629,729	(6,315,899)
Effect of exchange rate changes		(28,291)	(15,181)	-	-
Net increase in cash and cash equivalents		47,196,923	5,932,779	45,837,183	(7,764,050)
Cash and cash equivalents at beginning of financial year		17,870,969	11,938,190	1,035,991	8,800,041
Cash and cash equivalents at end of financial year	19	<u>65,067,892</u>	<u>17,870,969</u>	<u>46,873,174</u>	<u>1,035,991</u>

OCK GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

1. CORPORATE INFORMATION

The Company is a public listed company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No.18, Jalan Jurunilai U1/20, Sekyzen U1, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The ultimate holding company of the Company is Aliran Armada Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 29 April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”)

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

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

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 21	Levies
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The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

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

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

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

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 do not change the current offsetting model in MFRS 132. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’, that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. These amendments only impact the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

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

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

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

Amendments to MFRS 136 Impairment of Assets

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

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

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

IC Int 21 Levies

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”) (cont'd)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted**

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
<u>Amendments/Improvements to MFRSs</u>	
MFRS 2 Share-based Payment	1 July 2014
MFRS 3 Business Combinations	1 July 2014
MFRS 5 Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7 Financial Instruments: Disclosures	1 January 2016
MFRS 8 Operating Segments	1 July 2014
MFRS 10 Consolidated Financial Statements	1 January 2016
MFRS 11 Joint Arrangements	1 January 2016
MFRS 12 Disclosures of Interests in Other Entities	1 January 2016
MFRS 13 Fair Value Measurement	1 July 2014
MFRS 101 Presentation of Financial Statements	1 January 2016
MFRS 116 Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119 Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124 Related Party Disclosures	1 July 2014
MFRS 127 Separate Financial Statements	1 January 2016
MFRS 128 Investments in Associates and Joint Ventures	1 January 2016
MFRS 138 Intangible Assets	1 July 2014/ 1 January 2016
MFRS 140 Investment Property	1 July 2014
MFRS 141 Agriculture	1 January 2016

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

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

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

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

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity’s business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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

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

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

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

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

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

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

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

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendment to MFRS 8 Operating Segments

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

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

Amendment to MFRS 13 Fair Value Measurement

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

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

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

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

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

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

Amendments to MFRS 116 Property, Plant and Equipment

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

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

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

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

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

In addition, the amendments clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendment to MFRS 124 Related Party Disclosures

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

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

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

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

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

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements:- the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

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

2.3 Basis of Consolidation and Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

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

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

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

2.3 Basis of Consolidation and Subsidiaries (cont'd)

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised MFRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as reverse acquisition reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

2.4 Transactions with Non-controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Foreign Currency

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to nearest RM, unless otherwise stated.

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

2.5 Foreign Currency (cont'd)

(b) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign Operations Denominated in Functional Currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

- (i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;
- (ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- (iii) All resulting exchange differences are taken to other comprehensive income.

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

2.6 Revenue Recognition

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Revenue from telecommunication network services

Revenue is recognised upon services rendered and customer's acceptance.

(b) Revenue from contract works

Revenue from contract works is recognised on the percentage of completion method as described in Note 2.12.

(c) Sales of goods

Revenue is recognised upon delivery of products and customer's acceptance.

(d) Interest income

Interest income is recognised on an accruals basis using the effective interest method.

(e) Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

2.7 Employee Benefits

(a) Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

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

2.7 Employee Benefits (cont'd)

(c) Retirement Benefits Plans

The Group operates an unfunded defined benefit plan for eligible employees as provided in the services contract agreements between a company in the Group and its employees.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees would have earned in return for their service in the current and prior financial years, that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

The calculation is performed by an actuary using the projected unit credit method. In the intervening years, the calculation may be updated by the actuary based on approximations unless material changes in demographics or business processes have been identified that would cause doubt in the application of approximations, in which case detailed analysis would be necessary at the interim date. The most recent review was performed for the financial year ended 31 December 2014 in February 2015.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in profit or loss. Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service by employees or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

2.8 Tax Expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the period, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior financial years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

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

2.8 Tax Expense (cont'd)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

2.9 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Freehold and leasehold land and buildings are measured at valuation less accumulated depreciation on buildings and leasehold land and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

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

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

Freehold land is not depreciated and all other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the property, plant and equipment over their estimated useful lives. The principal annual rates used for this purpose are as follows:

Freehold building	2%
Leasehold land and building	2%
Furniture and fittings	10%
Computers and software equipment	33 1/3%
Office equipment	10% to 20%
Motor vehicles	20%
Renovation	10%
Engineering equipment	20%
Network facilities	4%
Plant and machinery	4% and 20%

Capital work-in-progress is not depreciated as these assets are not ready for its intended use.

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. These are adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

2.10 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the financial year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year in which they arise.

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

2.11 Capital Work-In-Progress

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

2.12 Construction Contracts

Construction works are stated at cost plus attributable profits less progress billings. Cost comprises direct labour, material costs, sub-contract sum and an allocated proportion of directly related overheads. Administrative and general expenses are charged to the profit or loss as and when incurred.

When the outcome of a construction contract can be reliably estimated, contract revenue are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Costs incurred in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Provision is made for all anticipated losses on construction work. Provision for warranties is made for expected/estimated repair costs for making good certain defects and damages during the warranty periods.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers for contract works. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers for contract works.

2.13 Intangible Assets

(a) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the consolidated statement of profit or loss and other comprehensive income.

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

2.13 Intangible Assets (cont'd)

(b) Other Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.14 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as an expense in the profit or loss.

Any subsequent increase in recoverable amount due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised as revenue in the profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of raw material comprise the purchase price plus costs in bringing this inventory to their present location and condition. Cost is determined on the weighted average cost basis.

Work-in-progress includes the cost of raw materials, direct labour and appropriate portion of fixed and variable overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.16 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

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

2.16 Financial Assets (cont'd)

(a) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(b) Held-to-maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2.17 Fair Value Measurement

The Group and the Company adopted MFRS 13, Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

2.18 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term highly liquid investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

2.20 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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

2.21 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

2.22 Leases

(a) Finance Leases – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(b) Operating Leases – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(c) Operating Leases – the Group and the Company as Lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

2.23 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade and other payables, amount due to contract customers and borrowings.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Term loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.24 Borrowing Costs

Borrowing costs in respect of expenditure incurred on acquisition of property, plant and equipment is capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interests and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

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

2.26 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries and jointly control entities as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements of the Group and of the Company require management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(a) Critical judgements made in applying the Group's accounting policies

There were no significant judgements made by management in the process of applying the accounting policies of the Group and of the Company which may have significant effect on the amount recognised in the financial statements.

(b) Key sources of estimation uncertainty

(i) Useful lives of property, plant and equipment (Note 10)

The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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

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

(ii) Impairment of property, plant and equipment

The Group assesses impairment of assets whenever the events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(iii) Valuation of investment properties (Note 11)

The measurement of the fair value for investment properties performed by independent valuer is determined with reference to current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts.

(iv) Amortisation of intangible assets (Note 12)

The cost of intangible asset is amortised on a straight line basis over the assets' useful lives. Directors estimate the useful lives of these intangible assets to be 8 years. The amortisation period and the amortisation method for customer contracts and related customer relationship are reviewed at least at each reporting date. Therefore, future amortisation charges could be revised.

(v) Impairment of goodwill (Note 12)

The Group tests goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Where expectations differ from the original estimates, the differences will impact the carrying amount of goodwill.

(vi) Impairment of loans and receivables (Note 17)

The Group and the Company assess at each reporting date whether there is any objective evidence that receivables and amounts owing by subsidiaries are impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

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

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

(vii) Write down for obsolete or slow moving inventories (Note 15)

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(ix) Construction contracts

The Group recognises contract revenue from its fixed price contracts based on the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. The stage of completion method requires the Group to estimate the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue including variation orders and contract claims and contract costs. In making the estimates, the Group relies on past experience, the use of engineering tools and the work of specialists.

Any variation to the final contract sum and the estimated cost to completion will have a corresponding effect on the contract profit or loss.

(x) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business.

(xi) Taxation (Note 8)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)**(b) Key sources of estimation uncertainty (cont'd)****(xii) Deferred tax assets (Note 13)**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

4. REVENUE

	Group	
	2014	2013
	RM	RM
Telecommunication network services	127,834,238	85,775,898
Green energy and power solutions	35,230,981	42,922,803
Sales of goods	9,029,195	10,724,159
Contract income	13,797,610	12,740,024
	<u>185,892,024</u>	<u>152,162,884</u>

5. COST OF SALES

	Group	
	2014	2013
	RM	RM
Telecommunication network services	89,553,423	55,142,899
Green energy and power solutions	31,357,320	37,747,482
Sales of goods	6,974,959	8,726,225
Contract cost	9,427,107	11,320,788
	<u>137,312,809</u>	<u>112,937,394</u>

6. FINANCE COSTS

	Group	
	2014	2013
	RM	RM
Bank overdrafts	156,625	97,626
Finance lease payables	664,288	89,675
Revolving project loan	1,869,465	1,922,156
Term loans - secured	1,157,951	899,538
Trade financing	156,688	60,372
	<u>4,005,017</u>	<u>3,069,367</u>

7. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
After charging:				
Amortisation of intangible assets	504,792	-	-	-
Auditors' remuneration:				
- statutory audit				
- current year	235,002	213,100	30,000	30,000
- under-provision in prior year	23,130	8,830	8,000	9,000
- non-statutory audit				
- current year	10,000	-	10,000	-
- under-provision in prior year	9,000	-	9,000	-
Bad debts written off	44,644	-	-	-
Deposit written off	8,050	-	-	-
Depreciation of property, plant and equipment	4,515,615	2,030,238	-	-
Directors' remuneration (Note (b))	2,461,907	2,598,859	187,000	144,500
Employee benefits expenses (Note (a))	30,711,670	25,618,014	-	-
Impairment of goodwill	-	1,110	-	-

7. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

Profit/(Loss) before taxation is arrived at: (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
After charging: (cont'd)				
Loss on foreign exchange:				
- realised	108,818	87,914	-	-
- unrealised	216,347	39,441	-	-
Property, plant and equipment written off	178,538	-	-	-
Provision for post employment benefits	59,178	-	-	-
Rental expenses:				
- equipments	199,317	437,782	-	-
- premises	584,576	495,545	-	-
- sites	1,102,779	556,291	-	-
- vehicles	1,186,675	109,202	-	-
- warehouse	433,615	700,615	-	-
	<u>433,615</u>	<u>700,615</u>	<u>-</u>	<u>-</u>
and crediting:-				
Interest income	(488,977)	(219,711)	(490,427)	(41,144)
Gain on disposal of property, equipment	(142,995)	(91,082)	-	-
Realised gain on foreign exchange	(1,750)	-	-	-
Rental income:				
- premises	(777,203)	(1,397,957)	(64,400)	(75,600)
- vehicles	-	(102,000)	-	-
	<u>-</u>	<u>(102,000)</u>	<u>-</u>	<u>-</u>

(a) Employee benefits expenses are:

	Group	
	2014	2013
	RM	RM
Salaries, allowances and bonus	27,799,137	22,872,545
Contributions to defined contribution plans and Socso	2,593,136	2,384,159
Other benefits	319,397	361,310
	<u>30,711,670</u>	<u>25,618,014</u>

7. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

(b) The aggregate amount of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Salaries, allowances and bonuses	2,032,180	2,222,228	-	-
Other emoluments	270,227	265,631	37,500	33,500
Fees	159,500	111,000	149,500	111,000
	<u>2,461,907</u>	<u>2,598,859</u>	<u>187,000</u>	<u>144,500</u>

8. TAXATION

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current income tax:				
- Current financial year	6,280,730	5,296,731	-	-
- (Over)/Under provision in prior financial year	(1,612,688)	68,442	-	(34,771)
	4,668,042	5,365,173	-	(34,771)
Deferred tax (Note 13):				
- Origination and reversal of temporary differences	305,033	539,586	-	-
- Relating to changes in tax rate	(108,510)	-	-	-
- Under/(Over) provision in prior financial year	1,835,930	(36,869)	-	-
	<u>2,032,453</u>	<u>502,717</u>	<u>-</u>	<u>-</u>
	<u>6,700,495</u>	<u>5,867,890</u>	<u>-</u>	<u>(34,771)</u>

8. TAXATION (cont'd)

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) before taxation	<u>23,756,545</u>	<u>21,158,782</u>	<u>(27,916)</u>	<u>(524,012)</u>
Taxation at Malaysian statutory income tax rate of 25% (2013: 25%)	5,939,136	5,289,696	(6,979)	(131,003)
Tax effects arising from:				
- non-deductible expenses	598,786	405,526	37,979	22,224
- non-taxable income	(2,841)	(960)	-	-
Effect of different tax rates in foreign jurisdictions	(96,610)	(12,411)	-	-
Effect of changes in tax rate on opening balance of deferred tax	(108,510)	-	-	-
Deferred tax recognised at different tax rates	9,310	-	-	-
Deferred tax assets not recognised during the financial year	168,982	154,466	-	108,779
Utilisation of previously unrecognised deferred tax assets	(31,000)	-	(31,000)	-
Under/(Over) provision in prior financial year:				
- income tax	(1,612,688)	68,442	-	(34,771)
- deferred tax	<u>1,835,930</u>	<u>(36,869)</u>	<u>-</u>	<u>-</u>
Tax expense/(credit)	<u>6,700,495</u>	<u>5,867,890</u>	<u>-</u>	<u>(34,771)</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government announced that the domestic statutory tax rate would be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

The Group and the Company have estimated unutilised tax losses of RM988,613 (2013: RM403,812) and Nil (2013: RM129,180) respectively, available to be carried forward to set-off against future taxable profits.

9. EARNINGS PER SHARE

- (a) Basic earnings per share amounts are calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2014	2013
	RM	RM
Basic earnings per share		
Net profit attributable to owners of the Company	<u>15,586,670</u>	<u>13,581,849</u>
Weighted average number of ordinary shares for basic earnings per share computation	<u>334,354,735</u>	<u>271,950,000</u>
Basic earnings per share (sen)	<u>4.66</u>	<u>4.99</u>

- (b) The diluted earnings per ordinary share of the Group for the financial year ended 31 December 2014 and 31 December 2013 are the same as the basic earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold	Leasehold	Furniture	Computer	Office	Motor	Renovation	Engineering	Network	Plant and	Capital	Total	
	land and	land and	and	and software							work-in-		progress
	buildings	buildings	fixtures	equipment	equipment	vehicles		Equipment	facilities	machinery		RM	
	←-----At Valuation-----→		←-----At Cost-----→										
Cost / Valuation	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1.1.2013	22,140,000	3,790,000	234,444	1,410,484	756,434	4,048,796	83,511	1,911,553	2,236,978	-	3,621,535	40,233,735	
Additions	-	1,260,000	28,109	802,542	9,177	889,185	92,990	1,260,338	9,098,234	14,548,123	7,020,254	35,008,952	
Reclassifications	-	-	-	-	-	-	-	-	5,345,575	-	(5,345,575)	-	
Disposals	-	-	-	(4,000)	-	(172,000)	-	(17,372)	-	-	-	(193,372)	
At 31.12.2013	22,140,000	5,050,000	262,553	2,209,026	765,611	4,765,981	176,501	3,154,519	16,680,787	14,548,123	5,296,214	75,049,315	
Additions	-	-	73,778	524,022	12,582	1,191,799	3,766,766	1,621,269	1,269,012	7,118,145	1,661,144	17,238,517	
Revaluation	775,865	1,202,022	-	-	-	-	-	-	-	-	-	1,977,887	
Acquisition of a subsidiary (Note 35)	-	-	-	-	136,520	632,924	-	1,193,135	-	-	-	1,962,579	
Disposal of a subsidiary (Note 36)	-	-	-	(9,529)	-	-	-	(81,219)	-	-	-	(90,748)	
Transfer to investment properties (Note 11)	(8,615,865)	(2,092,022)	-	-	-	-	-	-	-	-	-	(10,707,887)	
Disposals	-	-	-	-	-	(930,770)	-	-	(9,533,346)	-	-	(10,464,116)	
Reclassifications	-	-	-	-	-	-	-	-	2,053,049	1,649,458	(3,702,507)	-	
Written off	-	-	-	-	-	(20,795)	-	-	(169,865)	-	-	(190,660)	
Translation differences	-	-	159,672	(127,422)	6,255	29,505	-	53,225	-	-	-	121,235	
At 31.12.2014	14,300,000	4,160,000	496,003	2,596,097	920,968	5,668,644	3,943,267	5,940,929	10,299,637	23,315,726	3,254,851	74,896,122	

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

Group	Freehold	Leasehold	Furniture	Computer	Office	Motor	Renovation	Engineering	Network	Plant and	Capital	Total
	land and	land and	and	and software				Equipment			work-in-	
Accumulated	<-----At Valuation----->		<-----At Cost----->									Total
Depreciation	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1.1.2013	207,727	73,900	103,183	1,091,477	310,357	2,488,084	34,596	662,637	7,053	-	-	4,979,014
Charge for the financial year	255,975	63,342	26,691	204,385	78,157	537,843	9,826	440,368	248,049	165,602	-	2,030,238
Disposals	-	-	-	(1,222)	-	(151,933)	-	(2,461)	-	-	-	(155,616)
Translation differences	-	-	(502)	(3,642)	-	-	-	-	-	-	-	(4,144)
At 31.12.2013	463,702	137,242	129,372	1,290,998	388,514	2,873,994	44,422	1,100,544	255,102	165,602	-	6,849,492
Charge for the financial year	255,975	83,089	86,409	394,538	84,342	697,892	140,388	871,823	370,556	1,530,603	-	4,515,615
Revaluation	-	(68,968)	-	-	-	-	-	-	-	-	-	(68,968)
Acquisition of a subsidiary (Note 35)	-	-	-	-	110,666	85,547	-	483,626	-	-	-	679,839
Disposal of a subsidiary (Note 36)	-	-	-	(2,625)	-	-	-	(18,394)	-	-	-	(21,019)
Transfer to investment properties (Note 11)	(496,533)	(123,500)	-	-	-	-	-	-	-	-	-	(620,033)
Disposals	-	-	-	-	-	(930,766)	-	-	-	-	-	(930,766)
Written off	-	-	-	-	-	(4,082)	-	-	(8,040)	-	-	(12,122)
Translation differences	-	-	103,279	(101,615)	5,024	101	-	28,429	-	-	-	35,218
At 31.12.2014	223,144	27,863	319,060	1,581,296	588,546	2,722,686	184,810	2,466,028	617,618	1,696,205	-	10,427,256

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

Group	Freehold	Leasehold	Furniture	Computer	Office	Motor	Renovation	Engineering	Network	Plant and	Capital	Total
	land and	land and	and	and software		vehicles		Equipment	facilities	machinery	work-in-	
Net Carrying	<-----At Valuation----->		<-----At Cost----->									Total
Amount	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 31.12.2013	21,676,298	4,912,758	133,181	918,028	377,097	1,891,987	132,079	2,053,975	16,425,685	14,382,521	5,296,214	68,199,823
At 31.12.2014	14,076,856	4,132,137	176,943	1,014,801	332,422	2,945,958	3,758,457	3,474,901	9,682,019	21,619,521	3,254,851	64,468,866

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

- (a) The carrying amount of property, plant and equipment of the Group held under finance lease arrangements as at end of the financial year are as follows:

	Group	
	2014	2013
	RM	RM
Equipments	12,315,635	814,411
Motor vehicles	3,177,964	1,497,174
	<u>15,493,599</u>	<u>2,311,585</u>

- (b) Included in leasehold land and buildings is a leasehold land with net carrying amount of RM1,243,933 (2013: RM1,260,000) which was held in trust by a director of the Group.
- (c) Leasehold land has remaining unexpired lease period of more than 50 years.
- (d) The carrying amount of property, plant and equipment of the Group pledged to the licensed banks for credit facilities granted to the subsidiaries are as follows (Notes 25, 26, 27 and 31):

	Group	
	2014	2013
	RM	RM
Freehold land and buildings	14,076,856	21,676,298
Leasehold land and buildings	4,132,137	4,912,758
	<u>18,208,993</u>	<u>26,589,056</u>

- (e) In year 2014, freehold and leasehold land and buildings of the Group has been revalued by an accredited independent valuer. The valuations are based on the comparison and open market value method that makes reference to comparable properties that were transacted within reasonable time frame, close proximity and similar nature of properties.
- (f) If the freehold and leasehold land and buildings were measured using the cost model, the carrying amount would be as follows:

	Group	
	2014	2013
	RM	RM
Freehold land and buildings		
Cost	-	6,200,000
Accumulated depreciation	-	(744,000)
	<u>-</u>	<u>(744,000)</u>
Net carrying amount	<u>-</u>	<u>5,456,000</u>

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

- (f) If the freehold and leasehold land and buildings were measured using the cost model, the carrying amount would be as follows: (cont'd)

	Group	
	2014	2013
	RM	RM
Leasehold land and buildings		
Cost	1,545,160	2,425,160
Accumulated depreciation	(95,758)	(211,577)
Net carrying amount	<u>1,449,402</u>	<u>2,213,583</u>

- (g) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM17,238,517 (2013: RM35,008,952) which are satisfied by the followings:

	Group	
	2014	2013
	RM	RM
Additions of property, plant and equipment	17,238,517	35,008,952
Financed by finance lease arrangements	<u>(12,502,650)</u>	<u>(737,500)</u>
Cash payments on purchase of property, plant and equipment	<u>4,735,867</u>	<u>34,271,452</u>

- (h) Fair value information

The fair value of the land and buildings is categorised as Level 2. There is no transfer between Level 1 and Level 2 fair values during the financial year.

11. INVESTMENT PROPERTIES

Group	Freehold	Leasehold	Total
	Land and Building	Land and Building	
<u>At fair value</u>	RM	RM	RM
At 1.1.2014	-	-	-
Transfer from property, plant and equipment (Note 10)	<u>8,119,332</u>	<u>1,968,522</u>	<u>10,087,854</u>
At 31.12.2014	<u>8,119,332</u>	<u>1,968,522</u>	<u>10,087,854</u>

11. INVESTMENT PROPERTIES (cont'd)

- (a) Investment properties of the Group with an aggregate carrying amount of RM10,087,854 (2013: Nil) are pledged to the licensed banks for credit facilities granted to the subsidiaries (Notes 25, 26, 27 and 31).
- (b) Leasehold land has remaining unexpired lease period of more than 50 years.
- (c) In year 2014, freehold and leasehold land and buildings of the Group has been revalued by an accredited independent valuer. The valuations are based on the comparison and open market value method that makes reference to comparable properties that were transacted within reasonable time frame, close proximity and similar nature of properties.
- (d) Fair value information

The fair value of the land and buildings is categorised as Level 2. There is no transfer between Level 1 and Level 2 fair values during the financial year.

12. INTANGIBLE ASSETS

Group	Goodwill	Other Intangible Assets	Total
Cost	RM	RM	RM
At 1.1.2014	-	-	-
Acquisition of a subsidiary (Note 35)	<u>7,797,476</u>	<u>12,115,000</u>	<u>19,912,476</u>
At 31.12.2014	<u>7,797,476</u>	<u>12,115,000</u>	<u>19,912,476</u>
Accumulated Amortisation			
At 1.1.2014	-	-	-
Charge for the financial year	<u>-</u>	<u>504,792</u>	<u>504,792</u>
At 31.12.2014	<u>-</u>	<u>504,792</u>	<u>504,792</u>
Net Carrying Amount			
At 31.12.2014	<u><u>7,797,476</u></u>	<u><u>11,610,208</u></u>	<u><u>19,407,684</u></u>

- (a) Goodwill arising from business combination has been allocated to the Group's CGU's identified according to the following segment:-

	2014	2013
	RM	RM
Telecommunication Network Services	<u><u>7,797,476</u></u>	<u><u>-</u></u>

For the purpose of impairment testing, goodwill is allocated to the operating division of the Group which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

12. INTANGIBLE ASSETS (cont'd)

- (a) Goodwill arising from business combination has been allocated to the Group's CGU's identified according to the following segment: (cont'd)

Key assumptions used in value-in-use calculations

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on its value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by management covering a five year period. The key assumptions used for value-in-use calculations are:

	2014	2013
Growth rate	5%	-
Discount rate	<u>11%</u>	<u>-</u>

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

- (i) Growth rate

The growth rate is based on management assessment on the impact of the aggressive marketing and sales activities to be carried out as well as the average growth rate for the similar companies.

- (ii) Discount rate

Discount rate reflects the current market assessment of the risks. This is the benchmark used by management to assess operating performance and to evaluate future investments proposals.

Sensitivity to change in assumptions

With regard to the assessment of value-in-use calculation, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount.

- (b) Other intangible assets represents customer contracts and related customer relationship related to contracts secured from 4 major customers of a newly acquired subsidiary, PT Putra Mulia Telecommunication ("PMT") prior to the acquisition date and post acquisition date based on a valuation performed by professional valuer.

An amortisation amounting to RM504,792 relating to the customer contracts and related customer relationship has been recognised during the financial year based on estimated useful life of 8 years.

13. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

	Group	
	2014	2013
	RM	RM
Deferred tax assets/(liabilities)		
At beginning of the financial year	(937,090)	(437,883)
Acquisition of a subsidiary (Note 35)	98,043	-
Disposal of a subsidiary (Note 36)	7,006	-
Recognised in profit or loss (Note 8)	(2,032,453)	(502,717)
Transferred to revaluation reserve (Note 23)	4,104	3,510
Translation differences	4,640	-
At end of the financial year	<u>(2,855,750)</u>	<u>(937,090)</u>

(a) Presented after appropriate off-setting as follows:

	Group	
	2014	2013
	RM	RM
Deferred tax assets	117,479	-
Deferred tax liabilities	<u>(2,973,229)</u>	<u>(937,090)</u>
	<u>(2,855,750)</u>	<u>(937,090)</u>

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2014	2013
	RM	RM
Deferred tax assets		
Accruals	77,766	-
Post employment benefits	<u>39,713</u>	<u>-</u>
	<u>117,479</u>	<u>-</u>
Deferred tax liabilities		
Differences between the carrying amounts of property, plant and equipment and their tax bases	(2,804,378)	(764,135)
Revaluation surplus on property, plant and equipment	<u>(168,851)</u>	<u>(172,955)</u>
	<u>(2,973,229)</u>	<u>(937,090)</u>

13. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

(c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2014	2013
	RM	RM
Unrealised loss on foreign exchange	116,250	126,138
Unutilised tax losses	988,613	403,812
	<u>1,104,863</u>	<u>529,950</u>
	Company	
	2014	2013
	RM	RM
Unutilised tax losses	-	129,180
	<u>-</u>	<u>129,180</u>

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost		
At beginning of the financial year	19,382,315	18,399,998
Additions	499,900	982,317
At end of the financial year	<u>19,882,215</u>	<u>19,382,315</u>

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
Direct subsidiaries:				
Milab Marketing Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
OCK International Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Setia Engineering Sdn. Bhd.	Malaysia	100%	100%	Engaged in the provision of turnkey telecommunications network services.
OCK Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding and general trading.

14. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
Subsidiaries of OCK International Sdn. Bhd.				
OCK Phnom Penh Pte. Ltd. *	The Kingdom of Cambodia	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services.
Fuzhou 1-Net Solution Co. Ltd. *	The People's Republic of China	51%	-	Provision of various telecommunications network services.
PT Putra Mulia Telecommunication *	The Republic of Indonesia	85%	-	Provision of telecommunication solution services.
OCK Telco Infra Pte. Ltd. *	Singapore	100%	-	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiaries of OCK Ventures Sdn. Bhd.				
OCK Industries Sdn. Bhd.	Malaysia	65%	65%	Provision of engineering services and general trading.
Massive Connection Sdn. Bhd.	Malaysia	100%	-	Providing information technology services.
Subsidiaries of OCK Engineering Sdn. Bhd.				
OCK M & E Sdn. Bhd.	Malaysia	100%	100%	Provision of mechanical and electrical engineering services.
Delicom Sdn. Bhd.	Malaysia	100%	100%	Provision of telecommunications network services focusing on network deployment services.

14. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
Subsidiaries of OCK Engineering Sdn. Bhd. (cont'd)				
Dynasynergy Services Sdn. Bhd.	Malaysia	51%	51%	Provision of operations, engineering and maintenance services in telecommunications sector and other sectors.
Fortress Pte. Ltd. *	Singapore	100%	100%	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support.
Firatel Sdn. Bhd.	Malaysia	61%	61%	Trading of telecommunications network equipment and materials.
EI Power Technologies Sdn. Bhd.	Malaysia	52%	52%	Provision of green energy and power solutions.
OCK Yangon Pte. Ltd.	Myanmar	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services.
Steadcom Sdn. Bhd.	Malaysia	51%	51%	Provision of telecommunications network services, primarily focusing on network planning, design and optimisation.
Smartbean Systems Sdn. Bhd.	Malaysia	-	51%	Engaged in supplying test and measurement equipments, software solution, information communications technology equipments, fiber network components and providing for the potential customers in the relevant area.

14. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
Subsidiaries of Fortress Pte Ltd.				
Fortress Distribution Sdn. Bhd.	Malaysia	100%	100%	Distribution and installation of network security products and solutions for enterprise customers and provision of technical support.

* Audited by other professional firms of accountants other than Baker Tilly Monteiro Heng.

(a) Acquisition/Incorporation of subsidiaries

2014

Fuzhou 1-Net Solution Co. Ltd.

On 17 February 2014, the Company's wholly-owned subsidiary, OCK International Sdn. Bhd. ("OCKINT") had completed the incorporation of a 51% owned subsidiary, namely Fuzhou 1-Net Solution Co. Ltd. ("Fuzhou 1-Net"), a company incorporated in the People's Republic of China with a registered capital of 1,000,000 Chinese Yuan. The intended principal activity of Fuzhou 1-Net is the provision of various telecommunications network services.

Massive Connection Sdn. Bhd.

On 18 March 2014, the Company's wholly owned subsidiary, OCK Ventures Sdn. Bhd. ("OCKVSB") had acquired two (2) ordinary shares of RM1 each in Massive Connection Sdn. Bhd. ("MCSB") for a total cash consideration of RM2. Consequently, MCSB became a wholly-owned subsidiary of OCKVSB.

PT Putra Mulia Telecommunication

On 3 September 2014, the Company's wholly-owned subsidiary, OCK International Sdn. Bhd. ("OCKINT") had acquired 85% equity interest in PT Putra Mulia Telecommunication ("PMT") for a total purchase consideration of RM21,250,000, to be fully satisfied via a combination of RM10,000,000 cash and issuance of 10,227,272 ordinary shares of RM0.10 each in the Company.

OCK Telco Infra Pte. Ltd.

On 22 December 2014, the Company's wholly-owned subsidiary, OCKINT had incorporated a wholly-owned subsidiary, namely OCK Telco Infra Pte. Ltd. ("OCK Telco"), a company incorporated in Singapore with an issued and paid-up capital of SGD1.00. The intended principal activity of OCK Telco is the provision of tower facilities, utilities and communication network for mobile and broadband operators.

14. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Acquisition/Incorporation of subsidiaries (cont'd)

2014 (cont'd)

OCK International Sdn. Bhd.

On 11 September 2014, the Company had further subscribed 499,900 ordinary shares of RM1.00 each in the share capital of OCKINT.

2013

Milab Marketing Sdn. Bhd.

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

On 27 November 2013, the Company had further subscribed 750,000 ordinary shares of RM1.00 each in Milab at par value.

OCK International Sdn. Bhd.

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

OCK Ventures Sdn. Bhd.

On 16 July 2013, the Company subscribed 2 ordinary shares of RM1 each of OCKVSB, representing 100% of the total equity interest in OCKVSB for a total cash consideration of RM2. OCKVSB became a wholly-owned subsidiary of the Company.

OCK Phnom Penh Pte. Ltd.

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

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

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

OCK Industries Sdn. Bhd.

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

14. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Acquisition/Incorporation of subsidiaries (cont'd)

2013 (cont'd)

Dynasynergy Services Sdn. Bhd.

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

OCK Yangon Pte. Ltd.

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

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

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

(b) Disposal of a subsidiary

On 14 March 2014, the Company's wholly-owned subsidiary, OCKSE had disposed of its entire 51% equity interest in Smartbean Systems Sdn. Bhd., equivalent to 153,000 ordinary shares of RM1 each for a total consideration of RM78,377.

14. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) The subsidiaries of the Group that have non-controlling interests (“NCI”) are as follows:-

	Fuzhou 1-Net Solution Co. Ltd. RM	PT Putra Mulia Tele- Communication RM	OCK Industries Sdn. Bhd. RM	Dynasynergy Sdn. Bhd. RM	EI Power Technologies Sdn. Bhd. RM	Steadcom Sdn. Bhd. RM	Firatel Sdn. Bhd. RM	Smartbean Sdn. Bhd. RM	Total RM
2014									
NCI Percentage of ownership interest and voting interest	49%	15%	35%	49%	48%	49%	39%	-	
Carrying amount of NCI	<u>294,001</u>	<u>2,616,747</u>	<u>(43,667)</u>	<u>694,494</u>	<u>2,443,616</u>	<u>922,708</u>	<u>1,330,777</u>	<u>(12,426)</u>	<u>8,246,250</u>
Profit/(Loss) allocated to NCI	<u>5,118</u>	<u>85,720</u>	<u>(30,316)</u>	<u>336,324</u>	<u>461,726</u>	<u>334,145</u>	<u>276,663</u>	<u>-</u>	<u>1,469,380</u>
2013									
NCI Percentage of ownership interest and voting interest	-	-	35%	49%	48%	49%	39%	49%	
Carrying amount of NCI	<u>-</u>	<u>-</u>	<u>(13,351)</u>	<u>260,170</u>	<u>1,981,890</u>	<u>588,563</u>	<u>1,054,114</u>	<u>62,877</u>	<u>3,934,263</u>
(Loss)/Profit allocated to NCI	<u>-</u>	<u>-</u>	<u>(13,387)</u>	<u>113,169</u>	<u>1,095,904</u>	<u>249,353</u>	<u>344,990</u>	<u>(80,986)</u>	<u>1,709,043</u>

14. INVESTMENT IN SUBSIDIARIES (cont'd)

(b) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	Fuzhou 1-Net Solution Co. Ltd. RM	PT Putra Mulia Tele- communication RM	OCK Industries Sdn. Bhd. RM	Dynasnergy Sdn. Bhd. RM	EI Power Technologies Sdn. Bhd. RM	Steadcom Sdn. Bhd. RM	Firatel Sdn. Bhd. RM	Total RM
2014								
Assets and liabilities								
Non-current assets	63,663	1,817,180	95,640	2,414	494,421	1,251,856	482,072	4,207,246
Current assets	918,847	7,800,373	11,302	6,030,867	14,054,855	5,097,185	6,386,179	40,299,608
Non-current liabilities	-	(120,916)	-	-	(288,855)	(183,760)	(219,149)	(812,680)
Current liabilities	(400,883)	(4,540,720)	(231,708)	(4,621,365)	(9,169,553)	(4,295,533)	(3,249,979)	(26,509,741)
Net assets/(liabilities)	<u>581,627</u>	<u>4,955,917</u>	<u>(124,766)</u>	<u>1,411,916</u>	<u>5,090,868</u>	<u>1,869,748</u>	<u>3,399,123</u>	<u>17,184,433</u>
Results								
Revenue	1,549,500	7,410,102	11,118	8,713,010	34,156,861	6,879,155	10,114,159	68,833,905
Profit/(Loss) for the financial year	9,838	1,059,561	(86,618)	680,959	961,931	668,602	696,265	3,990,538
Total comprehensive income/(loss)	<u>9,838</u>	<u>1,059,561</u>	<u>(86,618)</u>	<u>680,959</u>	<u>961,931</u>	<u>668,602</u>	<u>696,265</u>	<u>3,990,538</u>
Cash flows from operating activities	(71,012)	(575,002)	(78,015)	(841,840)	3,514,098	170,888	656,748	2,775,865
Cash flows from investing activities	(67,643)	(729,758)	(110,400)	49,840	(16,156)	(582,171)	(60,800)	(1,517,088)
Cash flows from financing activities	<u>567,655</u>	<u>1,876,420</u>	<u>192,460</u>	<u>592,822</u>	<u>(4,336,175)</u>	<u>214,436</u>	<u>293,811</u>	<u>(598,571)</u>

14. INVESTMENT IN SUBSIDIARIES (cont'd)

(b) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (cont'd)

	Ock Industries Sdn. Bhd. RM	Dynasnergy Sdn. Bhd. RM	EI Power Technologies Sdn. Bhd. RM	Steadcom Sdn. Bhd. RM	Firatel Sdn. Bhd. RM	Smartbean Sdn. Bhd. RM	Total RM
2013							
Assets and liabilities							
Non-current assets	-	3,082	651,402	779,521	536,248	69,729	2,039,982
Current assets	1,100	2,382,186	17,858,841	4,419,557	3,064,829	180,255	27,906,768
Non-current liabilities	-	-	(360,062)	(114,158)	(609)	(7,006)	(481,835)
Current liabilities	(39,248)	(1,854,311)	(14,020,943)	(3,883,773)	(897,611)	(89,298)	(20,785,184)
Net (liabilities)/assets	<u>(38,148)</u>	<u>530,957</u>	<u>4,129,238</u>	<u>1,201,147</u>	<u>2,702,857</u>	<u>153,680</u>	<u>8,679,731</u>
Results							
Revenue	-	2,171,509	42,962,172	5,542,665	7,161,407	568,769	58,406,522
(Loss)/Profit for the financial year	(38,248)	230,957	2,283,134	508,881	884,590	(165,280)	3,704,034
Total comprehensive (loss)/income	<u>(38,248)</u>	<u>230,957</u>	<u>2,283,134</u>	<u>508,881</u>	<u>884,590</u>	<u>(165,280)</u>	<u>3,704,034</u>
Cash flows from operating activities	(34,558)	(566,780)	413,337	(2,144,773)	1,019,780	(161,694)	(1,474,688)
Cash flows from investing activities	-	(3,347)	(775,606)	(403,144)	(544,706)	(4,543)	(1,731,346)
Cash flows from financing activities	<u>35,658</u>	<u>851,331</u>	<u>4,598,226</u>	<u>2,642,499</u>	<u>(620,383)</u>	<u>57,665</u>	<u>7,564,996</u>

15. INVENTORIES

	Group	
	2014	2013
	RM	RM
At cost,		
Raw materials	1,628,189	1,618,548
Work-in-progress	21,857,237	16,152,354
Finished goods	387,878	429,860
	<u>23,873,304</u>	<u>18,200,762</u>
Inventories recognised as cost of sales	<u>33,117,758</u>	<u>18,761,723</u>

16. OTHER INVESTMENTS

	Group	
	2014	2013
	RM	RM
Current		
Held-to-maturity investments (unquoted)	<u>453,527</u>	<u>284,227</u>

The fair value information has not been disclosed for the unquoted held-to-maturity investments as its fair value cannot be measured reliably. This relates to performance bonds placed with Multi-Purpose Insurans Bhd ("MPIB") for a period of more than 3-months and bear effective interest rates ranging from 3.0% to 7.8% (2013: 3.0% to 7.8%) per annum.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade receivables				
- Third parties	73,732,014	47,071,900	-	-
- Related party	3,437,202	1,786,250	-	-
- Retention sum	2,399,969	2,003,089	-	-
	<u>79,569,185</u>	<u>50,861,239</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment loss	<u>(265,152)</u>	<u>(265,152)</u>	<u>-</u>	<u>-</u>
Trade receivables, net	79,304,033	50,596,087	-	-

17. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other receivables				
- Third parties	5,368,410	969,455	-	-
- Amounts owing by subsidiaries	-	-	69,250,586	33,094,952
	5,368,410	969,455	69,250,586	33,094,952
Deposits	4,768,879	2,603,420	-	11,600
Trade and other receivables, net of advances to sub-contractors and prepayments	89,441,322	54,168,962	69,250,586	33,106,552
Advances to sub-contractors	4,649,301	7,312,855	-	-
Prepayments	5,119,907	4,077,447	-	-
Total trade and other receivables	99,210,530	65,559,264	69,250,586	33,106,552

(a) Credit term of trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms extended to customers ranging from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

(b) Included in trade receivables of the Group is an amount of RM3,437,202 (2013: RM1,786,250) owing by a related party in which a director of a subsidiary has substantial financial interest.

(c) Included in trade receivables of the Group are retention sum of RM2,399,969 (2013: RM2,003,089) relating to construction work-in-progress. Retention sums are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2014	2013
	RM	RM
Within 1 year	654,939	342,072
1 to 2 years	84,014	1,661,017
More than 2 years	1,661,016	-
	2,399,969	2,003,089

17. TRADE AND OTHER RECEIVABLES (cont'd)

- (d) Included in other receivables of the Company are amounts owing by subsidiaries of RM69,250,586 (2013: RM33,094,952) which are non-trade in nature, unsecured, interest free and repayable upon demand in cash and cash equivalent.
- (e) Included in other receivables of the Group is an amount of RM4,649,301 (2013: RM7,312,855), representing advances to sub-contractors which are unsecured, interest free and repayable on demand.
- (f) Ageing analysis of the Group's trade receivables (excluding retention sum) are as follows:

	Group	
	2014	2013
	RM	RM
Neither past due nor impaired	47,684,539	35,518,324
1 to 30 days past due not impaired	11,675,022	4,861,582
31 to 60 days past due not impaired	7,223,143	3,244,677
61 to 90 days past due not impaired	3,509,913	3,420,279
120 days past due not impaired	6,724,017	1,387,139
More than 121 days past due not impaired	87,430	160,997
	29,219,525	13,074,674
Impaired	265,152	265,152
	<u>77,169,216</u>	<u>48,858,150</u>

Receivables that are neither past due nor impaired

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

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM29,219,525 (2013: RM13,074,674) that are past due at the reporting date but not impaired.

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

17. TRADE AND OTHER RECEIVABLES (cont'd)(f) Receivables that are impaired

The Group's trade receivables that are impaired at the end of each reporting date are as follow:

	Group	
	2014	2013
	RM	RM
Individually impaired		
Trade receivables - nominal amounts	265,152	265,152
Less: Allowance for impairment loss	(265,152)	(265,152)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group has no debtors that are collectively determined to be impaired at the reporting date.

(g) The foreign currency exposure profile of the trade receivables of the Group are as follows:

	Group	
	2014	2013
	RM	RM
Chinese Yuan	473,164	-
Indonesian Rupiah	6,565,117	-
Singapore Dollar	360,624	656,184
United States Dollar	549,166	60,236
	<u> </u>	<u> </u>

18. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group	
	2014	2013
	RM	RM
Aggregate costs incurred to date	48,025,707	46,460,098
Recognised profit less recognised losses	10,810,210	9,685,075
	<u> </u>	<u> </u>
	58,835,917	56,145,173
Progress billings	(48,910,054)	(50,163,764)
	<u> </u>	<u> </u>
Net amount due from/(to) contract customers	<u> </u>	<u> </u>
	9,925,863	5,981,409

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

	Group	
	2014	2013
	RM	RM
Presented as:		
Amount due from contract customers included in current assets	11,188,703	6,183,414
Amount due to contract customers included in current liabilities	(1,262,840)	(202,005)
	<u>9,925,863</u>	<u>5,981,409</u>

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash and bank balances	59,149,449	18,286,752	45,501,523	30,040
Deposits placed with licensed banks	<u>14,612,631</u>	<u>7,942,614</u>	<u>1,371,651</u>	<u>1,005,951</u>
Cash and cash equivalents as presented in statements of financial position	73,762,080	26,229,366	46,873,174	1,035,991
Less: Bank overdrafts (Note 24)	(1,419,957)	(1,592,108)	-	-
Less: Deposits pledged to licensed banks	<u>(7,274,231)</u>	<u>(6,766,289)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents as presented in statements of cash flows	<u>65,067,892</u>	<u>17,870,969</u>	<u>46,873,174</u>	<u>1,035,991</u>

(a) Deposits placed with licensed banks amounting of RM7,274,231 (2013: RM6,766,289) of the Group are pledged as security for banking facilities granted to the Group (Notes 27 and 28).

(b) Deposits placed with licensed banks earn interests rates ranging from 2.60% to 3.20% (2013: 2.60% to 3.20%) per annum.

(c) The foreign currency exposure profile of cash and cash equivalents are as follows:

	Group	
	2014	2013
	RM	RM
Singapore Dollar	132,380	11,668
United States Dollar	1,437,430	962,942
Indonesian Rupiah	<u>526,234</u>	<u>-</u>

20. SHARE CAPITAL

	Group and Company			
	2014		2013	
Authorised	Number of Shares Unit	Amount RM	Number of Shares Unit	Amount RM
Ordinary shares RM0.10 each:				
At beginning/ end of the financial year	<u>500,000,000</u>	<u>50,000,000</u>	<u>500,000,000</u>	<u>50,000,000</u>
Issued and fully paid				
Ordinary shares RM0.10 each:				
At beginning of the financial year	284,900,000	28,490,000	259,000,000	25,900,000
Issuance of shares pursuant to:				
- acquisition of a subsidiary	10,227,272	1,022,727	-	-
- bonus issue	176,053,636	17,605,364	-	-
- private placement	56,980,000	5,698,000	25,900,000	2,590,000
	<u>243,260,908</u>	<u>24,326,091</u>	<u>25,900,000</u>	<u>2,590,000</u>
At end of the financial year	<u>528,160,908</u>	<u>52,816,091</u>	<u>284,900,000</u>	<u>28,490,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

During the financial year, the following ordinary shares of RM0.10 each were issued:

Date	Purpose of issue	Number of shares	Price RM/share	Total consideration RM	Term of issue
06.06.2014	Private placement for working capital	28,490,000	1.30	37,037,000	Cash
25.06.2014	Private placement for working capital	28,490,000	1.30	37,037,000	Cash
11.11.2014	Acquisition of a subsidiary	10,227,272	1.10	11,250,000	Equity
27.11.2014	Bonus issue	176,053,636	0.10	17,605,364	Equity

21. SHARE PREMIUM

	Group and Company	
	2014	2013
	RM	RM
At beginning of the financial year	26,739,424	17,691,945
Issuance of shares pursuant to:		
- acquisition of a subsidiary	10,227,272	-
- bonus issue	(17,605,364)	-
- private placement	68,376,000	9,583,000
	60,997,908	9,583,000
Share issuance expenses	(3,550,236)	(535,521)
At end of the financial year	84,187,096	26,739,424

22. FOREIGN CURRENCY TRANSLATION RESERVE

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

23. REVALUATION RESERVE

	Group	
	2014	2013
	RM	RM
At beginning of the financial year	3,279,567	3,349,543
Arising from revaluation of property plant and equipment	2,046,853	-
Less: Realisation of revaluation reserve	(85,364)	(73,486)
Income tax relating to realisation of revaluation reserve (Note 13)	4,104	3,510
At end of the financial year	5,245,160	3,279,567

The revaluation reserve relates to revaluation of freehold and leasehold land and buildings, net of tax.

24. BORROWINGS

	Group	
	2014	2013
	RM	RM
Current		
Bankers' acceptance (Note 25)	9,987,354	14,946,649
Trust receipts (Note 26)	11,399	11,399
Revolving projects loan (Note 27)	15,836,962	23,809,308
Bank overdrafts (Notes 19 and 28)	1,419,957	1,592,108
Bonds - unsecured (Note 29)	474,325	440,000
Finance lease payables (Note 30)	2,914,720	550,976
Term loans - secured (Note 31)	1,564,284	1,165,942
	<u>32,209,001</u>	<u>42,516,382</u>
Non-current		
Bonds - unsecured (Note 29)	2,788,645	2,787,000
Finance lease payables (Note 30)	9,584,440	1,017,762
Term loans - secured (Note 31)	19,906,631	15,706,771
	<u>32,279,716</u>	<u>19,511,533</u>
Total borrowings	<u><u>64,488,717</u></u>	<u><u>62,027,915</u></u>

25. BANKERS' ACCEPTANCE

- (a) The bankers' acceptance are secured by way of:
- (i) First party legal charge over properties of a subsidiary;
 - (ii) Joint and several guarantees by directors of the Company and its subsidiaries;
 - (iii) Corporate guarantee from the Company;
 - (iv) Assignment over all rents and other monies; and
 - (v) Assignment of contract.
- (b) The bankers' acceptance bears interest rates ranging from 0.75% to 1.75% (2013: 0.75% to 1.75%) per annum.
- (c) Information on financial risks of bankers' acceptance is disclosed in Note 44.

26. TRUST RECEIPTS

- (a) The trust receipts are secured by way of:
 - (i) First party legal charge over properties of a subsidiary;
 - (ii) Joint and several guarantees by directors of the Company and its subsidiaries; and
 - (iii) Corporate guarantee from the Company.
- (b) The trust receipts bear interest rates ranging from 0.75% to 2.00% (2013: 0.75% to 2.00%) per annum above the bank's base rate.
- (c) Information on financial risks of trust receipts is disclosed in Note 44.

27. REVOLVING PROJECT LOAN

- (a) The revolving projects loan is secured by way of:
 - (i) All monies debenture incorporating fixed and floating charge over all present and future assets and undertaking of a subsidiary;
 - (ii) Assignment of all contract proceeds arising from contracts of a subsidiary;
 - (iii) Assignment of all contract proceeds and receivables of a subsidiary to be received from a frame agreement for provision of services of a subsidiary;
 - (iv) Pledged of fixed deposits of the subsidiary of RM6,395,607 (2013: RM6,326,752) with a licensed bank;
 - (v) Joint and several guarantees from directors of the Company and its subsidiaries; and
 - (vi) Deed of Assignment of all contract proceeds/receivables for the contracts/transactions financed by the bank.
- (b) The revolving projects loan bears interest rates ranging from 7.0% to 8.0% (2013: 7.0% to 8.0%) per annum.
- (c) Information on financial risks of revolving projects loan is disclosed in Note 44.

28. BANK OVERDRAFTS

- (a) The bank overdrafts are secured by way of:-
 - (i) First party legal charge over properties of a subsidiary;
 - (ii) Joint and several guarantees by directors of the Company and its subsidiaries;
 - (iii) Assignment over all rents and other monies;
 - (iv) Pledge of fixed deposits of the subsidiaries with licensed banks;
 - (v) Corporate guarantees from the Company; and
 - (vi) Letter of negative pledge from a subsidiary.
- (b) The bank overdrafts bear effective interest rate of 7.85% (2013: 7.85%) per annum.
- (c) Information on financial risks of bank overdrafts is disclosed in Note 44.

29. BONDS- UNSECURED

- (a) On 28 November 2013, the Group had entered into an agreement to issue 3,227,000 6-years Sukuk Murabahah bonds (“Sukuk”) which bears interest at 8.2% per annum payable semi-annually in arrears.
- (b) Information on financial risks of bonds is disclosed in Note 44.

30. FINANCE LEASE PAYABLES

	Group	
	2014	2013
	RM	RM
Future minimum lease payments	14,219,215	1,707,714
Less: Future finance charges	<u>(1,720,055)</u>	<u>(138,976)</u>
Total present value of minimum lease payments	<u>12,499,160</u>	<u>1,568,738</u>
Payable within one year		
Future minimum lease payments	3,632,486	616,092
Less: Future finance charges	<u>(717,766)</u>	<u>(65,116)</u>
Present value of minimum lease payments	2,914,720	550,976
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	10,511,127	1,014,411
Less: Future finance charges	<u>(1,001,043)</u>	<u>(71,558)</u>
Present value of minimum lease payments	9,510,084	942,853
Payable more than 5 years		
Future minimum lease payments	75,602	77,211
Less: Future finance charges	<u>(1,246)</u>	<u>(2,302)</u>
Present value of minimum lease payments	<u>74,356</u>	<u>74,909</u>
Total present value of minimum lease payments	<u>12,499,160</u>	<u>1,568,738</u>

- (a) The finance lease payables of the Group bear effective interest rates ranging from 4.36% to 6.53% (2013: 3.94% to 5.61%) per annum.
- (b) Information on financial risks of finance lease payables is disclosed in Note 44.

31. TERM LOANS - SECURED

	Group	
	2014	2013
	RM	RM
Current liabilities (Note 24)		
- due within 1 year	1,564,284	1,165,942
Non-current liabilities (Note 24)		
- due more than 1 year but not later than 5 years	11,761,226	4,950,720
- due after 5 years	8,145,405	10,756,051
	19,906,631	15,706,771
	21,470,915	16,872,713

- (a) The term loans are secured by way of :
- (i) First party legal charge over a property of a subsidiary;
 - (ii) Third party first legal charge over a property of a director;
 - (iii) Debenture creating a first rank fixed and floating charge over the customer's present and future assets wheresoever situated;
 - (iv) Memorandum of Deposit of Sinking Fund to be built up to a maximum of RM264,000 by way of monthly deposit of RM5,000 only from proceeds received in relation to the project;
 - (v) Third party assignment of proceeds in favour of Malaysia Debt Ventures Berhad ("MDV") in relation to the Renewable Energy Power Purchase Agreement dated 7 January 2013 executed with Tenaga Nasional Berhad;
 - (vi) Assignment in favour of MDV of all rights, interest and benefits of the customer over all takaful/insurance(s) issued in relation to the project;
 - (vii) Assignment of performance bond/bank guarantee by the contractor of the solar power to MDV;
 - (viii) Corporate guarantees from the Company; and
 - (ix) Joint and several guarantees by directors of the Company and its subsidiaries.
- (b) The term loans bear interest rates ranging from 4.30% to 4.75% (2013: 4.30% to 4.75%) per annum.
- (c) Information on financial risks of term loans is disclosed in Note 44.

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade payables	21,490,801	23,469,298	-	-
Retention sum	-	505,129	-	-
	<u>21,490,801</u>	<u>23,974,427</u>	<u>-</u>	<u>-</u>
Other payables	1,664,033	6,250,498	55,767	86,647
Accruals	18,833,748	3,660,168	798,650	32,500
Deposits	945,224	956,329	-	-
Amounts due to directors of subsidiaries	1,523,919	539,052	-	-
Amounts due to directors of related companies	-	2,145	-	-
	<u>22,966,924</u>	<u>11,408,192</u>	<u>854,417</u>	<u>119,147</u>
Total trade and other payables	<u>44,457,725</u>	<u>35,382,619</u>	<u>854,417</u>	<u>119,147</u>

- (a) Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 60 days (2013: 30 to 60 days).
- (b) The foreign currency exposure profile of the trade payables of the Group are as follows:-

	Group	
	2014	2013
	RM	RM
Chinese Yuan	6,088	-
Indonesian Rupiah	404,915	-
Singapore Dollar	228,800	-
US Dollar	<u>2,647,344</u>	<u>1,974,340</u>

- (c) Amounts due to directors of subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.
- (d) Amounts due to directors of related companies are non-trade in nature, unsecured, interest free and repayable on demand.

33. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2014	2013
	RM	RM
At beginning of the financial year	-	-
Acquisition of a subsidiary (Note 35)	94,391	-
Recognised in profit or loss (Note 7)	59,178	-
Translation differences	5,283	-
At end of the financial year	<u>158,852</u>	<u>-</u>

(a) This is in respect of provision for employees' benefits related to retirement, separation fee, service fee, compensation payments and other benefits recognised.

(b) The provision is made based on the actuarial valuation performed by an independent actuary on its report dated 20 February 2015 using the projected unit credit method.

(c) Principal actuarial assumptions used at the reporting date are as follows:

	Group	
	2014	2013
	RM	RM
Discount rate	8.54%	-
Normal retirement age	55 years	-
Salary increase rate	<u>10.00%</u>	<u>-</u>

34. DIVIDEND

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Dividend in respect of the financial year ended 31 December 2012				
- final single-tier dividend of 0.5 sen per ordinary share	<u>-</u>	<u>1,295,000</u>	<u>-</u>	<u>1,295,000</u>

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

35. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of PT Putra Mulia Telecommunication (“PMT”)

On 3 September 2014, the Company’s wholly-owned subsidiary, OCK International Sdn. Bhd. (“OCKINT”) had acquired 85% equity interest in PT Putra Mulia Telecommunication (“PMT”) for a total purchase consideration of RM21,250,000, to be fully satisfied via a combination of RM10,000,000 cash and issuance of 10,227,272 ordinary shares of RM0.10 each in the Company.

(i) The fair value of the identifiable assets and liabilities of PMT as at the date of acquisition were as follows:

	Group 2014 RM
Property, plant and equipment (Note 10)	1,282,740
Deferred tax assets (Note 13)	98,043
Customer contracts and related customer relationship (Note 12)	12,115,000
Trade and other receivables	5,687,835
Cash and cash equivalents	<u>674,769</u>
	19,858,387
Trade and other payables	(670,083)
Amount due to a director	(1,378,379)
Finance lease payables	(335,474)
Tax liabilities	(1,553,561)
Post employment benefit liabilities (Note 33)	<u>(94,391)</u>
Total identifiable net assets	15,826,499
Non-controlling interest measured at fair value	(2,373,975)
Goodwill arising from acquisition (Note 12)	<u>7,797,476</u>
	<u><u>21,250,000</u></u>

(ii) The effects of the acquisition of PMT on cash flows of the Group were as follows:

	Group 2014 RM
Total consideration for 85% equity interest acquired	21,250,000
Less: Consideration settled via issuance of ordinary shares	<u>(11,250,000)</u>
Consideration to be settled in cash	10,000,000
Less: Cash and cash equivalents of a subsidiary acquired	<u>(674,769)</u>
Net cash outflow of the Group on acquisition	<u><u>9,325,231</u></u>

35. ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Acquisition of Massive Connection Sdn. Bhd. (“MCSB”)

On 18 March 2014, the Company’s wholly owned subsidiary, OCK Ventures Sdn. Bhd. (“OCKVSB”) had acquired two (2) ordinary shares of RM1 each in MCSB for a total cash consideration of RM2. Consequently, MCSB became a wholly-owned subsidiary of OCKVSB.

- (i) The fair value of the identifiable asset of Massive as at the date of acquisition was as follows:

	Group 2014 RM
Cash balance	<u>2</u>
Total identifiable net assets	<u><u>2</u></u>

- (ii) The effects of the acquisition of Massive Connection on cash flows of the Group were as follows:

	Group 2014 RM
Consideration settled in cash	2
Less: Cash and cash equivalents of a subsidiary acquired	<u>(2)</u>
Net cash outflow of the Group on acquisition	<u><u>-</u></u>

36. DISPOSAL OF A SUBSIDIARY

On 14 March 2014, the Company’s wholly-owned subsidiary, OCK Setia Engineering Sdn. Bhd. (“OCKSE”) had disposed of its entire 51% equity interest in Smartbean Systems Sdn. Bhd., equivalent to 153,000 ordinary shares of RM1 each for a total consideration of RM78,377.

36. DISPOSAL OF A SUBSIDIARY (cont'd)

The effects of the disposal of Smartbean Systems Sdn. Bhd. on the financial position of the Group were as follows:

	Group 2014 RM
Property, plant and equipment (Note 10)	69,729
Inventory	102,564
Tax assets	6,830
Trade and other receivables	39,192
Cash and cash equivalents	43,859
Trade and other payables	(101,487)
Deferred tax liability (Note 13)	<u>(7,006)</u>
	153,681
Less: Non-controlling interest	<u>(75,304)</u>
	78,377
Net proceed from disposal	<u>78,377</u>
Gain on disposal	<u><u>-</u></u>

The effects of the disposal of Smartbean System Sdn. Bhd. on cash flows of the Group were as follows:

	Group 2014 RM
Cash consideration received	78,377
Cash and cash equivalents of a subsidiary disposed	<u>(43,859)</u>
Net cash inflow arising from disposal	<u><u>34,518</u></u>

37. FINANCIAL GUARANTEES

	Company	
	2014	2013
	RM	RM
Financial guarantees given to licensed banks for facilities granted to subsidiaries	<u>32,889,625</u>	<u>33,422,869</u>

38. CAPITAL COMMITMENTS

	Group	
	2014	2013
	RM	RM
In respect of capital expenditure approved and contracted for:		
- Property, plant and equipment	<u>2,720,540</u>	<u>-</u>

39. OPERATING LEASE COMMITMENTS

(a) The Group as lessee

The Group has entered into a commercial lease for its office premises. This lease has a tenure of 3 years with a renewal option included in the contract. There are no restrictions placed upon the Group by entering into this lease.

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follows:

	Group	
	2014	2013
	RM	RM
Not later than one year	3,026,889	134,708
Later than one year and not later than five years	<u>169,853</u>	<u>123,108</u>
	<u>3,196,742</u>	<u>257,816</u>

(b) The Group as lessor

The Group has entered into non-cancellable lease arrangements by sub-letting its factory, warehouse and shop offices. The leases include a clause to enable upward revision of the rental charge depending on prevailing market conditions upon the expiry of these agreements.

Future minimum lease receivables as at the end of the reporting date is as follows:

	Group	
	2014	2013
	RM	RM
Not later than one year	937,536	725,760
Later than one year and not later than five years	<u>699,974</u>	<u>969,425</u>
	<u>1,637,510</u>	<u>1,695,185</u>

40. RELATED PARTY TRANSACTIONS

(a) Identification of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with their subsidiaries, related parties, directors of the Company and key management personnel. Related parties refer to companies in which certain directors of the Company and its subsidiaries have substantial financial interests and/or are also directors of the companies.

(b) Transactions with related parties are as follows:

	Group	
	2014	2013
	RM	RM
Related Parties		
Sales received/receivable	(7,752,061)	(2,171,509)
Rental income received/receivable	-	(139,820)
Purchases paid/payable	-	101,164
Consultancy fees paid/payable	196,800	181,800
Key Management Personnel		
Office rental expense paid/payable	282,768	282,768
	<u>282,768</u>	<u>282,768</u>
	Company	
	2014	2013
	RM	RM
Subsidiary		
OCK Setia Engineering Sdn. Bhd.		
Management fees received/receivable	(455,000)	(36,000)
Office rental income received/receivable	(64,400)	(75,600)
Utilities fees received/receivable	(18,600)	(20,400)
	<u>(455,000)</u>	<u>(132,000)</u>

Information regarding outstanding balances arising from related parties transactions at each reporting date are disclosed in Notes 17 and 32.

40. RELATED PARTY TRANSACTIONS (cont'd)

(c) Compensation of Key Management Personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Short term employee benefits	2,191,680	2,333,228	149,500	111,000
Post employment benefits	270,227	265,631	37,500	33,500
	<u>2,461,907</u>	<u>2,598,859</u>	<u>187,000</u>	<u>144,500</u>

41. SEGMENT INFORMATION

The Group has five reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Telecommunication Network Services;
- (ii) Green Energy & Power Solutions;
- (iii) Trading;
- (iv) M&E Engineering Services; and
- (v) Investment Holding

There are varying level of integration between reportable segments, the Telecommunication Network Services and M&E Engineering Services reportable segments. This integration includes transfer of raw materials, providing engineering services, respectively. Inter-segment pricing is determined on negotiated basis.

Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income.

41. SEGMENT INFORMATION (cont'd)

Group	Note	Tele- communication Network Services RM	Green Energy & Power Solutions RM	Trading RM	M&E Engineering Services RM	Investment Holding RM	Adjustments & Eliminations RM	Consolidated RM
2014								
Revenue								
External revenue		127,834,238	35,230,981	9,029,195	13,797,610	-	-	185,892,024
Inter-segment revenue	a	7,047,946	359,500	1,085,324	3,394,806	-	(11,887,576)	-
		<u>134,882,184</u>	<u>35,590,481</u>	<u>10,114,519</u>	<u>17,192,416</u>	<u>-</u>	<u>(11,887,576)</u>	<u>185,892,024</u>
Results								
Interest income		(757,117)	(32,675)	-	-	-	-	(789,792)
Depreciation		3,635,974	591,329	114,977	173,335	-	-	4,515,615
Other non-cash expenses	b	778,675	30,093	202,781	-	-	-	1,011,549
Segment profit	c	<u>17,579,460</u>	<u>1,747,436</u>	<u>1,037,647</u>	<u>2,805,395</u>	<u>-</u>	<u>586,607</u>	<u>23,756,545</u>
Segment Assets								
Additions to non- current assets	d	28,492,941	795,277	60,800	4,499	-	-	29,353,517
Segment assets	e	<u>229,674,374</u>	<u>27,179,159</u>	<u>6,868,251</u>	<u>17,373,391</u>	<u>136,005,975</u>	<u>(114,432,089)</u>	<u>302,669,061</u>
Segment Liabilities	f	<u>172,217,306</u>	<u>20,662,572</u>	<u>3,469,128</u>	<u>9,802,457</u>	<u>-</u>	<u>(90,527,256)</u>	<u>115,624,207</u>

41. SEGMENT INFORMATION (cont'd)

Group	Note	Tele- communication Network Services RM	Green Energy & Power Solutions RM	Trading RM	M&E Engineering Services RM	Investment Holding RM	Adjustments & Eliminations RM	Consolidated RM
2013								
Revenue								
External revenue		85,897,670	42,922,803	10,602,387	12,740,024	-	-	152,162,884
Inter-segment revenue	a	2,810,105	146,250	897,824	1,913,010	-	(5,767,189)	-
		<u>88,707,775</u>	<u>43,069,053</u>	<u>11,500,211</u>	<u>14,653,034</u>	<u>-</u>	<u>(5,767,189)</u>	<u>152,162,884</u>
Results								
Interest income		(219,711)	-	-	-	-	-	(219,711)
Depreciation		1,708,138	142,926	10,893	168,281	-	-	2,030,238
Other non-cash expenses	b	1,556	37,885	-	-	-	1,110	40,551
Segment profit	c	<u>15,678,343</u>	<u>3,046,179</u>	<u>1,149,929</u>	<u>1,902,256</u>	<u>-</u>	<u>(617,925)</u>	<u>21,158,782</u>
Segment Assets								
Additions to non- current assets	d	23,346,582	11,107,164	544,706	10,500	-	-	35,008,952
Segment assets	e	<u>156,428,231</u>	<u>29,382,232</u>	<u>5,113,998</u>	<u>14,724,921</u>	<u>53,530,994</u>	<u>(74,523,520)</u>	<u>184,656,856</u>
Segment Liabilities	f	<u>116,535,963</u>	<u>24,103,601</u>	<u>2,401,693</u>	<u>10,304,328</u>	<u>132,649</u>	<u>(52,490,278)</u>	<u>100,987,956</u>

41. SEGMENT INFORMATION (cont'd)

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Other material non-cash expenses consist of the following items as presented in the respective notes:

	2014	2013
	RM	RM
Amortisation of intangible assets	504,792	-
Bad debts written off	44,644	-
Deposit written off	8,050	-
Provision for post employment benefits	59,178	-
Impairment of goodwill	-	1,110
Property, plant and equipment written off	178,538	-
Unrealised loss on foreign exchange	216,347	39,441
	<u>1,011,549</u>	<u>40,551</u>

- (c) The following items are added to/(deducted from) segment profit/(loss) to arrive at profit before tax presented in the consolidated statement of profit or loss and other comprehensive income:

	2014	2013
	RM	RM
Profit from inter-segment sales	(1,039,683)	252,259
Unallocated corporate expenses	2,739,160	1,640,431
Other income	(1,112,870)	(2,510,615)
	<u>586,607</u>	<u>(617,925)</u>

- (d) Additions to non-current assets (excluding goodwill and deferred tax assets) consist of:

	2014	2013
	RM	RM
Property, plant and equipment	17,238,517	35,008,952
Intangible assets	12,115,000	-
	<u>29,353,517</u>	<u>35,008,952</u>

- (e) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014	2013
	RM	RM
Deferred tax assets	117,479	-
Inter-segment assets	(114,549,568)	(74,523,520)
	<u>(114,432,089)</u>	<u>(74,523,520)</u>

41. SEGMENT INFORMATION (cont'd)

- (f) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014	2013
	RM	RM
Deferred tax liabilities	2,973,229	937,090
Inter-segment liabilities	<u>(93,500,485)</u>	<u>(53,427,368)</u>
	<u><u>(90,527,256)</u></u>	<u><u>(52,490,278)</u></u>

(g) **Geographical information**

Revenue information based on the geographical location of customers is as follows:

	Revenue	
	2014	2013
	RM	RM
Malaysia	173,745,714	148,546,727
Cambodia	1,594,055	172,030
China	1,549,500	-
Myanmar	974,680	-
Indonesia	7,410,102	-
Singapore	617,973	3,444,127
	<u>185,892,024</u>	<u>152,162,884</u>

Information on segments assets based on the geographical location of the Group's assets is as follows:

	2014	2013
	RM	RM
Malaysia	286,487,377	182,791,046
Cambodia	2,057,958	655,263
China	982,510	-
Myanmar	822,085	93,056
Indonesia	9,617,553	-
Singapore	2,701,578	1,117,491
	<u>302,669,061</u>	<u>184,656,856</u>

41. SEGMENT INFORMATION (cont'd)**(h) Major customers**

Revenue from three (3) major customers in the Telecommunication Network Services segment represents approximately RM90,685,121 (2013: RM60,079,026) or 49% (2013: 39%) of the Group's revenue.

42. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Group				
Financial Assets				
Loans and receivables				
Trade and other receivables, net of advances to sub-contractors and prepayments	89,441,322	54,168,962	69,250,586	33,106,552
Amount due from contract customers	11,188,703	6,183,414	-	-
Cash and cash equivalents	73,762,080	26,229,366	46,873,174	1,035,991
	<u>174,392,105</u>	<u>86,581,742</u>	<u>116,123,760</u>	<u>34,142,543</u>
Held-to-maturity				
Other investments	<u>453,527</u>	<u>284,227</u>	-	-
Financial liabilities				
Trade and other payables	44,457,725	35,382,619	854,417	119,147
Borrowings	64,488,717	62,027,915	-	-
	<u>108,946,442</u>	<u>97,410,534</u>	<u>854,417</u>	<u>119,147</u>

42. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of the financial year approximate their fair values.

(c) Methods and assumptions used to estimate fair value

The fair value of the following classes of financial assets and liabilities are as follows:

- (i) Cash and cash equivalents, other investments, receivables and payables and amount due from contract customers.

The carrying amounts of cash and cash equivalents, other investments, receivables and payables and amount due from contract customers are reasonable approximation of fair values due to short term nature of these financial assets and liabilities.

- (ii) Borrowings

The carrying amount of long term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date. The fair value of finance lease payables is estimated using discounted cash flow analysis, based on current borrowing.

The carrying amounts of financial instruments recognised in the statements of financial position as at reporting date approximate their fair values except for the followings:

	Group	
	Carrying Amount	Fair Value
	RM	RM
2014		
Financial Liabilities		
Finance lease payables	<u>12,499,160</u>	<u>10,666,492</u>
2013		
Financial Liabilities		
Finance lease payables	<u>1,568,738</u>	<u>1,433,696</u>

43. FAIR VALUE HIERARCHY

- (a) Policy on transfer between levels

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

- (b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfer between Level 1 and Level 2 fair values

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

- (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. FAIR VALUE HIERARCHY (cont'd)

As at 31 December 2014 and 31 December 2013, the Group and the Company held the following financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position:

	Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM
Group						
2014						
Financial liabilities						
Other financial liabilities						
- finance lease payables	-	10,666,492	-	10,666,492	10,666,492	12,499,160
2013						
Financial liabilities						
Other financial liabilities						
- finance lease payables	-	1,433,696	-	1,433,696	1,433,696	1,568,738

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit Risk

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

Exposure to credit risk

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

Credit risk concentration profile

At the end of the reporting period, approximately 50% (2013: 20%) of the Group's trade receivables were due from 5 major customers who are involved in telecommunication network services industry.

Trade receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due or impaired is disclosed in Note 17.

Trade receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 17.

Trade receivables that are impaired

Information regarding trade receivables that are impaired is disclosed in Note 17.

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

(a) Credit Risk (cont'd)

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM32,889,625 (2013: RM33,422,869) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. At the reporting date, there was no indication that the subsidiaries would default on their repayments.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(b) Liquidity Risk**

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

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

	Carrying amount RM	Contractual Cash Flow RM	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2014						
Group						
Trade and other payables	44,457,725	44,457,725	44,457,725	-	-	44,457,725
Bankers' acceptance	9,987,354	9,987,354	9,987,354	-	-	9,987,354
Trust receipts	11,399	11,399	11,399	-	-	11,399
Revolving projects loan	15,836,962	15,836,962	15,836,962	-	-	15,836,962
Bank overdrafts	1,419,957	1,419,957	1,419,957	-	-	1,419,957
Bonds - unsecured	3,262,970	4,384,996	483,880	2,708,950	1,192,166	4,384,996
Finance lease payables	12,499,160	14,219,215	3,632,486	10,511,127	75,602	14,219,215
Term loans- secured	21,470,915	26,329,304	2,431,504	11,705,242	12,192,558	26,329,304
	<u>108,946,442</u>	<u>116,646,912</u>	<u>78,261,267</u>	<u>24,925,319</u>	<u>13,460,326</u>	<u>116,646,912</u>
Company						
Trade and other payables	<u>854,417</u>	<u>854,417</u>	<u>854,417</u>	<u>-</u>	<u>-</u>	<u>854,417</u>

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(b) Liquidity Risk (cont'd)**

	Carrying amount RM	Contractual Cash Flow RM	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2013						
Group						
Trade and other payables	35,382,619	35,382,619	35,382,619	-	-	35,382,619
Bankers' acceptance	14,946,649	14,946,649	14,946,649	-	-	14,946,649
Trust receipts	11,399	11,399	11,399	-	-	11,399
Revolving projects loan	23,809,308	23,809,308	23,809,308	-	-	23,809,308
Bank overdrafts	1,592,108	1,592,108	1,592,108	-	-	1,592,108
Bonds - unsecured	3,227,000	4,546,280	501,676	2,808,588	1,236,016	4,546,280
Finance lease payables	1,568,738	1,707,714	616,092	1,014,411	77,211	1,707,714
Term loans- secured	16,872,713	22,449,934	1,940,286	9,212,779	11,296,869	22,449,934
	<u>97,410,534</u>	<u>104,446,011</u>	<u>78,800,137</u>	<u>13,035,778</u>	<u>12,610,096</u>	<u>104,446,011</u>
Company						
Trade and other payables	<u>119,147</u>	<u>119,147</u>	<u>119,147</u>	<u>-</u>	<u>-</u>	<u>119,147</u>

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(c) Foreign Currency Risk**

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (“SGD”), United States Dollar (“USD”), Indonesian Rupiah (“IDR”) and Chinese Yuan (“CNY”).

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD, SGD and IDR) amounted to RM2,096,044 (2013: RM974,610).

The Group is also exposed to currency translation risk arising from its investments in foreign operations. The Group’s investments in Singapore, Indonesia, China, Cambodia and Myanmar are not hedged as currency positions in the functional currency of respective countries are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group’s profit net of tax to a reasonably possible change in the SGD, USD, IDR and CNY exchange rates against the respective functional currency of the Group entities, with all other variables held constant:

	Group	
	Profit net of tax	
	2014	2013
	RM	RM
SGD/RM - strengthen by 5% (2013: 5%)	9,908	25,044
- weaken by 5% (2013: 5%)	(9,908)	(25,044)
USD/RM - strengthen by 5% (2013: 5%)	460	(35,669)
- weaken by 5% (2013: 5%)	(460)	35,669
IDR/RM - strengthen by 5% (2013: 5%)	250,741	-
- weaken by 5% (2013: 5%)	(250,741)	-
CNY/RM - strengthen by 5% (2013: 5%)	17,515	-
- weaken by 5% (2013: 5%)	<u>(17,515)</u>	<u>-</u>

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

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from:

(i) Interest bearing financial assets

Cash deposits are short term in nature and are not held for speculative purposes.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the end of the financial year, if average interest rates increased/decreased by 1% with all other variable held constant, the Group's profit net of tax for the financial year ended 31 December 2014 will be lower/higher by RM389,922 (2013: RM453,444) as a result of exposure to floating rate borrowings.

45. CAPITAL MANAGEMENT

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

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

The Group and the Company monitor the level of dividends to be paid to shareholders. The Company's objectives are to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

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

45. CAPITAL MANAGEMENT (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Borrowings	64,488,717	62,027,915	-	-
Trade and other payables	44,457,725	35,382,619	854,417	119,147
Amount due to contract customers	1,262,840	202,005	-	-
Less: Cash and cash equivalents	<u>(73,762,080)</u>	<u>(26,229,366)</u>	<u>(46,873,174)</u>	<u>(1,035,991)</u>
Net debt /(cash)	36,447,202	71,383,173	(46,018,757)	(916,844)
Total equity	<u>187,044,854</u>	<u>83,668,900</u>	<u>135,151,558</u>	<u>53,405,711</u>
	<u>223,492,056</u>	<u>155,052,073</u>	<u>89,132,801</u>	<u>52,488,867</u>
Gearing ratio	<u>16%</u>	<u>46%</u>	<u>*</u>	<u>*</u>

* Not meaningful as the Company is in net cash position.

46. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 3 September 2014, the Company's wholly-owned subsidiary, OCK International Sdn. Bhd. ("OCKINT") had acquired 85% equity interest in PT Putra Mulia Telecommunication ("PMT") for a total purchase consideration of RM21,250,000 to be fully satisfied via a combination of RM10,000,000 cash and issuance of 10,227,272 ordinary shares of RM0.10 each in OCK to satisfy the remaining of the purchase consideration of RM11,250,000.
- (b) On 12 November 2014, the Company increased its issued and fully paid-up ordinary shares capital by way of bonus issue of 176,053,636 ordinary shares of RM0.10 each in OCK on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.10 each in OCK.
- (c) On 20 November 2014, the Company announced that the listing of and quotation for the entire issued and paid-up share capital of OCK have been transferred from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

47. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 28 January 2015, the Company's wholly-owned subsidiary, OCK Telco Infra Pte. Ltd. ("OCK Telco") had incorporated a 70% owned subsidiary, namely MIN-OCK Infrastructure Pte. Ltd. ("MIN-OCK"), a company incorporated in Singapore with an issued and paid-up capital of 10 ordinary shares of SGD1.00 each. The intended principal activity of MIN-OCK is the provision of tower facilities, utilities and communicate network for mobile and broadband operators.

48. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the current year presentation:

	As Previously Classified RM	Group Reclassification RM	As Reclassified RM
<u>Statements of profit or loss and other comprehensive income</u>			
Revenue	152,041,112	121,772	152,162,884
Other income	2,013,783	(121,772)	1,892,011
Other operating expenses	-	(128,465)	(128,465)
Administrative expenses	(16,889,352)	128,465	(16,760,887)
<u>Statements of financial position</u>			
Other investments	-	284,227	284,227
Cash and cash equivalents	24,921,485	1,307,881	26,229,366
Bank overdrafts	-	(1,592,108)	(1,592,108)
<u>Statements of cash flows</u>			
Cash flows from investing activities	(34,131,084)	(284,227)	(34,415,311)
Cash and cash equivalents at end of financial year	<u>18,155,196</u>	<u>(284,227)</u>	<u>17,870,969</u>

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

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2014 and 31 December 2013 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at reporting date is analysed as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained earnings/ (accumulated losses) of the Group and the Company				
- realised	60,300,240	40,628,945	(1,851,629)	(1,823,713)
- unrealised	<u>1,579,403</u>	<u>897,649</u>	<u>-</u>	<u>-</u>
	61,879,643	41,526,594	(1,851,629)	(1,823,713)
Less: Consolidation adjustments	<u>(8,039,011)</u>	<u>(3,268,159)</u>	<u>-</u>	<u>-</u>
Total retained earnings/ (accumulated losses)	<u><u>53,840,632</u></u>	<u><u>38,258,435</u></u>	<u><u>(1,851,629)</u></u>	<u><u>(1,823,713)</u></u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.