

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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**OCK GROUP BERHAD**

[Registration No. 201101027780 (955915-M)]

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- I. **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 122,264,591 NEW ORDINARY SHARES IN OCK GROUP BERHAD ("OCK") ("OCK SHARE(S)") ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 10 EXISTING OCK SHARES HELD, TOGETHER WITH UP TO 122,264,591 FREE DETACHABLE WARRANTS IN OCK ("WARRANT(S) B") ON THE BASIS OF 1 WARRANT B FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER; AND**
  
- II. **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED OCK SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS FOR ELIGIBLE PERSONS**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*

**UOBKayHian**

**UOB KAY HIAN SECURITIES (M) SDN BHD**

[Registration No. 199001003423 (194990-K)]

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of OCK which is scheduled to be conducted fully virtual at the Broadcast Venue, Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 11 November 2020 at 10.30 a.m., or at any adjournment thereof, together with the Form of Proxy are enclosed herewith.

A member of OCK entitled to participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to participate and vote on his/ her behalf. In such event, the completed and signed Form of Proxy must be deposited at OCK's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy

: Tuesday, 10 November 2020 at 10.30 a.m.

Date and time of the EGM

: Wednesday, 11 November 2020 at 10.30 a.m.

This Circular is dated 26 October 2020

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## DEFINITIONS

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

AASB	: Aliran Armada Sdn Bhd
Act	: The Companies Act 2016 as amended from time to time and all regulations made thereunder and any re-enactment thereof
Board	: The Board of Directors of OCK
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Bylaw(s)	: Bylaw(s) of the Proposed ESOS (a draft of which is set out in Appendix I of this Circular)
CDS	: Central Depository System governed under the Securities Industry (Central Depositories) Act 1991, as amended from time to time and all regulations made thereunder and any re-enactment thereof
Circular	: This circular dated 26 October 2020 in relation to the Proposals
Deed Poll A	: The deed poll dated 6 November 2015 constituting the Warrants A
Deed Poll B	: The draft deed poll to be executed by our Company constituting the Warrants B (to be issued in conjunction with the Proposed Rights Issue with Warrants), as may be supplemented from time to time
Director(s)	: The director(s) of OCK and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets And Services Act 2007
EGM	: The forthcoming extraordinary general meeting of OCK
Eligible Person(s)	: The eligible Directors and employees of OCK and its subsidiaries that are not dormant, who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the Bylaws
Entitled Shareholders	: Our shareholders whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date
Entitlement Date	: A date to be determined and announced later by our Board, on which the names of our shareholders must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Rights Issue with Warrants
EPS	: Earnings per share
ESOS	: Employees' share option scheme
ESOS Committee	: The committee to be duly appointed and authorised by our Board pursuant to the Bylaws to administer the ESOS in relation to the Proposed ESOS
ESOS Option(s)	: The option(s) to subscribe for OCK Shares to be granted to Eligible Person(s)
FPE	: Financial period ended/ ending

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**DEFINITIONS (CONT'D)**

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FYE	:	Financial year ended/ ending
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	14 October 2020, being the latest practicable date prior to the printing and despatch of this Circular
Market Day(s)	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maximum Scenario	:	Assuming all outstanding Warrants A are exercised prior to the implementation of the Proposals and the Proposed Rights Issue with Warrants is undertaken on the Maximum Subscription Level
Maximum Subscription Level	:	The maximum subscription of up to 122,264,591 Rights Shares together with up to 122,264,591 Warrants B raising gross proceeds of up to RM24,452,918 based on the indicative issue price of RM0.20 per Rights Share
MFRS 2	:	Malaysian Financial Reporting Standard 2 – Share-based Payment
Minimum Scenario	:	Assuming none of the outstanding Warrants A are exercised prior to the implementation of the Proposals and the Proposed Rights Issue with Warrants is undertaken on the Maximum Subscription Level
Mr Ooi	:	Mr Ooi Chin Khoon
NA	:	Net assets attributable to the owners of OCK
OCK	:	OCK Group Berhad
OCK Group	:	OCK Group Berhad and its subsidiaries, collectively
OCK Share(s) or Share(s)	:	Ordinary share(s) in OCK
Offer Date	:	Date on which an offer is made by the ESOS Committee in writing to a selected Eligible Person to participate in the Proposed ESOS
PACs	:	The persons acting in concert with AASB and Mr Ooi, namely Ooi Cheng Wah, Low Hock Keong, Abdul Halim Bin Abdul Hamid, Chang Tan Chin and Chong Wai Yew
Proposals	:	The Proposed Rights Issue with Warrants and Proposed ESOS, collectively
Proposed ESOS	:	Proposed establishment of an ESOS of up to 15% of the total number of issued OCK Shares (excluding treasury shares, if any) at any point in time over the duration of the ESOS for eligible persons
Proposed Rights Issue with Warrants	:	Proposed renounceable rights issue of up to 122,264,591 Rights Shares on the basis of 1 Rights Share for every 10 existing OCK Shares held, together with up to 122,264,591 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for on the Entitlement Date
Rights Share(s)	:	Up to 122,264,591 new OCK Shares to be issued pursuant to the Proposed Rights Issue with Warrants

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**DEFINITIONS (CONT'D)**

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RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
SC	:	Securities Commission Malaysia
TERP	:	Theoretical ex-rights price of OCK Shares
Undertakings	:	The irrevocable and unconditional undertakings of the Undertaking Shareholders, vide their letters dated 26 August 2020, to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants based on their shareholdings as at the Entitlement Date
Undertaking Shareholders	:	Certain major shareholders of OCK, namely AASB and Mr Ooi, collectively
Underwriting Agreement		The underwriting agreement to be executed between our Company and the Underwriter at a later date but prior to the announcement of the Entitlement Date
Underwriting Arrangement		The underwriting arrangement between the Company and the Underwriter, for the remaining portion of Rights Shares with Warrants B for which no irrevocable and unconditional undertaking has been obtained, to meet the Maximum Subscription Level
UOBKH or the Adviser or the Underwriter	:	UOB Kay Hian Securities (M) Sdn Bhd
VWAP	:	Volume weighted average market price
Warrant(s) A	:	264,072,954 outstanding warrants 2015/ 2020 in OCK as at the LPD, constituted by the Deed Poll A. Each Warrant A carries the entitlement to subscribe for 1 new OCK Share during the 5-year exercise period up to 15 December 2020 at an exercise price of RM0.71 per Warrant A
Warrant(s) B	:	Up to 122,264,591 free detachable warrants in OCK with a proposed tenure of 5 years to be issued pursuant to the Proposed Rights Issue with Warrants

All references to "we", "us", "our" and "ourselves" are made to OCK, or where the context requires, shall include our subsidiaries.

All references to "you" in this Circular are made to shareholders who are entitled to participate and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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## EXECUTIVE SUMMARY

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*This Executive Summary highlights only the salient information of the Proposals. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the EGM.*

Key information	Description	Reference to Circular
Summary of the Proposals	<b><u>Proposed Rights Issue with Warrants</u></b>	<b>Section 2</b>
	<p>i. The Proposed Rights Issue with Warrants entails an issuance of up to 122,264,591 Rights Shares on the basis of 1 Rights Share for every 10 existing OCK Shares held, together with up to 122,264,591 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for by the Entitled Shareholders on the Entitlement Date.</p> <p>As at the LPD, we have an issued share capital of RM295,524,862 comprising 958,572,962 OCK Shares. In addition, as at the LPD, we have 264,072,954 outstanding Warrants A.</p>	
	<p>ii. Assuming all the outstanding Warrants A are exercised prior to the implementation of the Proposed Rights Issue with Warrants, our enlarged number of issued Shares will be 1,222,645,916 OCK Shares and assuming all the Entitled Shareholders subscribe in full for their respective entitlements of the Rights Shares, a maximum of 122,264,591 Rights Shares together with a maximum of 122,264,591 Warrants B may be issued, raising maximum gross proceeds of RM24,452,918. In addition, assuming all the 122,264,591 Warrants B are exercised, a total of 122,264,591 new OCK Shares will be issued therefrom.</p>	
	<p>iii. The Proposed Rights Issue with Warrants will be undertaken on the Maximum Subscription Level, to raise the maximum gross proceeds possible from the Proposed Rights Issue with Warrants of up to RM24,452,918, which would entail the maximum subscription of up to 122,264,591 Rights Shares together with up to 122,264,591 Warrants B at the minimum issue price of RM0.20 per Rights Share. The Maximum Subscription Level is based on the Undertakings of the Undertaking Shareholders and the Underwriting Arrangement.</p>	
	<b><u>Proposed ESOS</u></b>	<b>Section 3</b>
	<p>i. The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for OCK Shares (whether by way of issuance of new OCK Shares and/ or transfer of treasury shares of OCK) on the terms and conditions as set out in the Bylaws. The Proposed ESOS will be administered by the ESOS Committee in such manner it shall in its discretion deem fit, in accordance with the provisions set out in the Bylaws.</p>	
	<p>ii. The maximum number of OCK Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued OCK Shares (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS.</p>	
Basis of determining and justification for the issue price of the Rights Shares	<p>i. The final issue price of the Rights Shares shall be determined and announced by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date and after taking into consideration, amongst others, the following:-</p>	<b>Section 2.2</b>

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
	<ul style="list-style-type: none"><li>a. The gross proceeds of up to RM24,452,918 intended to be raised from the Proposed Rights Issue with Warrants for the utilisation purposes as set out in Section 2.8 of this Circular. Accordingly, the issue price of the Rights Shares will be fixed at no less than RM0.20 per Rights Share in order to raise said gross proceeds from the Proposed Rights Issue with Warrants undertaken on the Maximum Subscription Level; and</li><li>b. The TERP, calculated based on the 5-day VWAP of OCK Shares immediately preceding the price-fixing date of the Rights Shares.</li></ul> <ul style="list-style-type: none"><li>ii. Our Board shall also take into consideration further justifications in determining the final issue price of the Rights Shares, including amongst others, the prevailing market conditions and historical trading prices of OCK Shares for the past 12 months.</li></ul>	
<b>Rationale for the Proposals</b>	<p><b><u>Proposed Rights Issue with Warrants</u></b></p> <ul style="list-style-type: none"><li>i. To strengthen our financial position and capital base, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in Section 6.2 of this Circular.</li><li>ii. To enable the issuance of new OCK Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants.</li><li>iii. To provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares.</li><li>iv. As set out in Section 2.8 of this Circular, RM10.00 million of the proceeds to be raised is intended to be utilised for the repayment of bank borrowings, which is expected to reduce our Group's financing costs and improve its gearing level. In addition, up to RM13.25 million of the proceeds to be raised will be used to fund our Group's immediate working capital requirements and reduce our Group's reliance on bank borrowings.</li></ul> <p><b><u>Proposed ESOS</u></b></p> <ul style="list-style-type: none"><li>i. To recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for our Group.</li><li>ii. To retain, motivate and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise the value of OCK Shares upon disposal.</li><li>iii. To align the interests of Eligible Persons with that of shareholders' through the achievement of our Group's objectives and plans.</li><li>iv. To attract prospective employees with relevant skills and experience to our Group by making compensation packages offered more competitive.</li></ul>	<b>Section 4</b>

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular																				
	v. To foster and reinforce the Eligible Persons' loyalty and sense of belonging to our Group by enabling them to participate directly in our equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of our Group.																					
<b>Utilisation of proceeds from the Proposed Rights Issue with Warrants</b>	<p>Based on the indicative issue price of RM0.20 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue with Warrants will be utilised in the following manner:-</p> <table border="1"> <thead> <tr> <th></th> <th>Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants</th> <th>Minimum Scenario RM'000</th> <th>Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>Repayment of bank borrowings</td> <td>Within 12 months</td> <td>10,000</td> <td>10,000</td> </tr> <tr> <td>Working capital</td> <td>Within 12 months</td> <td>7,971</td> <td>13,253</td> </tr> <tr> <td>Estimated expenses in relation to the Proposals</td> <td>Within 1 month</td> <td>1,200</td> <td>1,200</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>19,171</b></td> <td><b>24,453</b></td> </tr> </tbody> </table>		Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000	Repayment of bank borrowings	Within 12 months	10,000	10,000	Working capital	Within 12 months	7,971	13,253	Estimated expenses in relation to the Proposals	Within 1 month	1,200	1,200	<b>Total</b>		<b>19,171</b>	<b>24,453</b>	<b>Section 2.8</b>
	Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000																			
Repayment of bank borrowings	Within 12 months	10,000	10,000																			
Working capital	Within 12 months	7,971	13,253																			
Estimated expenses in relation to the Proposals	Within 1 month	1,200	1,200																			
<b>Total</b>		<b>19,171</b>	<b>24,453</b>																			
<b>Approvals required</b>	<p>The Proposals are subject to the following approvals being obtained:-</p> <ol style="list-style-type: none"> <li>Bursa Securities, which was obtained on 13 October 2020;</li> <li>Our shareholders at the EGM; and</li> <li>Any other relevant authorities and/ or parties, if required.</li> </ol>	<b>Section 8</b>																				
<b>Conditionality of the Proposals</b>	<ol style="list-style-type: none"> <li>The Proposed ESOS is not conditional upon the Proposed Rights Issue with Warrants, and vice versa.</li> <li>The Proposals are not conditional upon any other proposal undertaken or to be undertaken by our Company.</li> </ol>	<b>Section 8</b>																				
<b>Board's recommendation</b>	<ol style="list-style-type: none"> <li>Our Board, having considered all aspects of the Proposed Rights Issue with Warrants, including but not limited to the rationale for and effects of the Proposed Rights Issue with Warrants as well as the proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants, is of the opinion that the Proposed Rights Issue with Warrants is in the best interests of our Company. Accordingly, our Board recommend that you <b>VOTE IN FAVOUR</b> of the resolution pertaining to the Proposed Rights Issue with Warrants at the forthcoming EGM.</li> <li>Our Board, having considered all aspects of the Proposed ESOS, including the rationale and justification as well as the effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of our Company.</li> </ol>	<b>Section 12</b>																				



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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
	<p>iii. However, in view that all Directors are eligible to participate in the Proposed ESOS, our Directors have abstained and will continue to abstain from deliberating and forming any opinion on, and making any recommendations on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in OCK, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS at the EGM. Where the resolutions are not related to their respective allocations or to the persons connected to them, if any, our Directors, after having considered all aspects of the Proposed ESOS, are of the opinion that the Proposed ESOS is in the best interest of our Group and recommend that you <b>VOTE IN FAVOUR</b> of the resolutions pertaining to the Proposed ESOS at the forthcoming EGM.</p>	

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**OCK GROUP BERHAD**

[Registration No. 201101027780 (955915-M)]  
(Incorporated in Malaysia)

**Registered Office**

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

26 October 2020

**Board of Directors**

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

Abdul Halim Bin Abdul Hamid (*Deputy Chairman*)

Ooi Chin Khoon (*Group Managing Director*)

Low Hock Keong (*Group Chief Executive Officer and Executive Director*)

Chang Tan Chin (*Executive Director*)

Chong Wai Yew (*Executive Director*)

Mahathir Bin Mahzan (*Independent Non-Executive Director*)

YM Syed Hazrain Bin Syed Razlan Jamalullail (*Independent Non-Executive Director*)

Rear Admiral (R) Dato' Mohd Som Bin Ibrahim (*Non-Independent and Non-Executive Director*)

**To: Our shareholders**

Dear Sir/ Madam,

**I. PROPOSED RIGHTS ISSUE WITH WARRANTS; AND**

**II. PROPOSED ESOS**

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**1. INTRODUCTION**

On 3 July 2020, UOBKH had, on behalf of our Board, announced that we proposed to undertake the following:-

- i. a renounceable rights issue of up to 122,264,591 Rights Shares on the basis of 1 Rights Share for every 10 existing OCK Shares held, together with up to 122,264,591 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for on an entitlement date to be determined and announced later;
- ii. an exemption to AASB and Mr Ooi and persons acting in concert with them, namely Ooi Cheng Wah, Low Hock Keong, Abdul Halim Bin Abdul Hamid, Chang Tan Chin and Chong Wai Yew, under Paragraph 4.08(1)(b) of the Rules from the obligation to undertake a mandatory take-over offer for all the remaining OCK Shares and Warrants A not already owned by them pursuant to the Proposed Rights Issue with Warrants ("**Proposed Exemption**"); and

- iii. the establishment of an employees' share option scheme of up to 15% of the total number of issued OCK Shares (excluding treasury shares, if any) at any point in time over the duration of the ESOS for eligible persons.

On 24 July 2020, UOBKH had, on behalf of our Board, announced that our Board had decided not to proceed with the Proposed Exemption.

Subsequently, on 21 August 2020, on behalf of our Board and in relation to the Proposed Rights Issue with Warrants, UOBKH had announced that our Board had decided to undertake the Proposed Rights Issue with Warrants on a maximum subscription level basis to raise the maximum gross proceeds possible from the Proposed Rights Issue with Warrants of up to RM24,452,918 (based on the indicative issue price of RM0.20 per Rights Share). As set out in Section 2.8 of this Circular, the Maximum Subscription Level will enable our Group to raise maximum proceeds for the repayment of bank borrowings to reduce the financing cost of our Group and to fund working capital requirements of our Group's telecommunication network services segment.

In view that the Proposed Rights Issue with Warrants will be undertaken on the Maximum Subscription Level, we had appointed UOBKH as the underwriter for the Proposed Rights Issue with Warrants and had procured an underwriting arrangement with UOBKH, for the remaining portion of Rights Shares with Warrants B for which no irrevocable and unconditional undertaking has been obtained.

The Underwriting Arrangement shall be subject to an underwriting agreement to be executed between the Company and the Underwriter at a later date but prior to the announcement of the Entitlement Date. The underwriting commission will be fully borne by the Company at arms' length and based on normal commercial terms. Further details on the Underwriting Agreement will be disclosed in the abridged prospectus to be issued by OCK at a later date.

Pursuant thereto, the Undertaking Shareholders had, vide their letters dated 26 August 2020, provided their irrevocable and unconditional undertakings to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants based on their shareholdings as at the Entitlement Date.

For illustration purpose, the details of the Underwriting Arrangement are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	%	No. of Shares	%
Total number of Rights Shares to be issued	95,857,296	100.00	122,264,591	100.00
Less: Rights Shares pursuant to the Undertakings	(32,636,715)	(34.05)	(32,636,715) <sup>*1</sup>	(26.69)
<b>Total number of Rights Shares to be underwritten pursuant to the Underwriting Arrangement by UOBKH</b>	<b>63,220,581</b>	<b>65.95</b>	<b>89,627,876</b>	<b>73.31</b>

**Note:-**

<sup>\*1</sup> Assuming the Undertaking Shareholders do not exercise any Warrants A under the Maximum Scenario

Further details on the Undertakings and Underwriting Arrangement are set out in Section 2.6 of this Circular.

On 13 October 2020, UOBKH had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 13 October 2020, resolved to approve the following, subject to the conditions as disclosed in Section 8 of this Circular:-

- i. admission of the Warrants B to the official list of Bursa Securities;

- ii. listing of and quotation for up to 122,264,591 Rights Shares and up to 122,264,591 Warrants B pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;
- iii. listing of and quotation for up to 122,264,591 new OCK Shares to be issued arising from the exercise of the Warrants B on the Main Market of Bursa Securities;
- iv. listing of and quotation for up to 16,338,656 additional Warrants A to be issued arising from the adjustments pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;
- v. listing of and quotation for up to 16,338,656 new OCK Shares to be issued arising from the exercise of any additional Warrants A on the Main Market of Bursa Securities; and
- vi. listing of and quotation for such number of new OCK Shares, representing up to 15% of our total number of issued shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

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

## **2. PROPOSED RIGHTS ISSUE WITH WARRANTS**

### **2.1 Basis and number of Rights Shares and Warrants B to be issued**

The Proposed Rights Issue with Warrants entails an issuance of up to 122,264,591 Rights Shares on the basis of 1 Rights Share for every 10 existing OCK Shares held, together with up to 122,264,591 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for by the Entitled Shareholders on the Entitlement Date.

As at the LPD, we have an issued share capital of RM295,524,862 comprising 958,572,962 OCK Shares. In addition, as at the LPD, we have 264,072,954 outstanding Warrants A.

Assuming all the outstanding Warrants A are exercised prior to the implementation of the Proposed Rights Issue with Warrants, our enlarged number of issued Shares will be 1,222,645,916 OCK Shares and assuming all the Entitled Shareholders subscribe in full for their respective entitlements of the Rights Shares, a maximum of 122,264,591 Rights Shares together with a maximum of 122,264,591 Warrants B may be issued. In addition, assuming all the 122,264,591 Warrants B are exercised, a total of 122,264,591 new OCK Shares will be issued therefrom.

The Proposed Rights Issue with Warrants will be undertaken on the Maximum Subscription Level, to raise the maximum gross proceeds possible from the Proposed Rights Issue with Warrants of up to RM24,452,918 (based on the indicative issue price of RM0.20 per Rights Share), which would entail the maximum subscription of up to 122,264,591 Rights Shares together with up to 122,264,591 Warrants B at the minimum issue price of RM0.20 per Rights Share. Further details of the Maximum Subscription Level are set out in Section 2.6 of this Circular.

The Maximum Subscription Level will enable our Group to raise maximum gross proceeds of up to RM24.45 million, of which up to RM10.00 million will be allocated for the partial repayment of the outstanding bank overdrafts of our Group amounting to approximately RM65.96 million as at the LPD (our Group's total bank borrowings as at the LPD amount to approximately RM486.93 million), which may potentially result in interest savings of up to approximately RM0.69 million per annum. The remaining proceeds of up to RM13.25 million will be allocated for the working capital of our Group's telecommunication network services segment, which was our Group's main revenue contributor (82.89% of our Group's total revenue) based on our latest audited consolidated financial statement for the FYE 31 December 2019. Further details of the utilisation of proceeds are set out in Section 2.8 of this Circular.

The actual number of Rights Shares and Warrants B to be issued will depend on our total issued Shares as at the Entitlement Date.

The Warrants B will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants B will be issued in registered form and constituted by the Deed Poll B.

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants B. For avoidance of doubt, the Rights Shares and the Warrants B are not separately renounceable.

In determining the entitlement of the Entitled Shareholders under the Proposed Rights Issue with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its sole and absolute discretion deem fit or expedient and in our best interests.

The Rights Shares together with Warrants B which are not taken up or validly taken up shall be made available for excess Rights Shares with Warrants B application by the other Entitled Shareholders and/ or their renounee(s). Our Board intends to allocate the excess Rights Shares together with Warrants B in a fair and equitable manner on a basis to be determined by our Board.

## **2.2 Basis of determining and justification for the issue price of the Rights Shares**

The final issue price of the Rights Shares shall be determined and announced by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date and after taking into consideration, amongst others, the following:-

- i. The gross proceeds to be raised from the Proposed Rights Issue with Warrants for the utilisation purposes as set out in Section 2.8 of this Circular. Accordingly, the issue price of the Rights Shares will be fixed at no less than RM0.20 per Rights Share in order to raise said gross proceeds from the Proposed Rights Issue with Warrants undertaken on the Maximum Subscription Level; and
- ii. The TERP, calculated based on the 5-day VWAP of OCK Shares immediately preceding the price-fixing date of the Rights Shares. In any event, the final issue price of the Rights Shares will be fixed at a discount of not more than 75% to the TERP.

Our Board shall also take into consideration further justifications in determining the final issue price of the Rights Shares, including amongst others, the prevailing market conditions and historical trading prices of OCK Shares for the past 12 months. For illustrative purposes only, the Rights Shares are assumed to be issued at an indicative issue price of RM0.20 per Rights Share, which represents a discount of approximately 52.38% to the TERP of RM0.420, calculated based on the 5-day VWAP of OCK Shares up to and including the LPD of RM0.438. The indicative issue price also represents a discount to the respective TERPs as follows:-

<b>Up to the LPD</b>	<b>VWAP RM</b>	<b>TERP RM</b>	<b>Discount to the RM</b>	<b>TERP %</b>
5-day VWAP of OCK Shares	0.438	0.420	0.22	52.38
1-month VWAP of OCK Shares	0.443	0.420	0.22	52.38
3-month VWAP of OCK Shares	0.488	0.460	0.26	56.52
6-month VWAP of OCK Shares	0.525	0.500	0.30	60.00
12-month VWAP of OCK Shares	0.555	0.520	0.32	61.54

### **2.3 Basis of determining and justification for the exercise price of the Warrants B**

The Warrants B attached to the Rights Shares will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) who subscribe for the Rights Shares.

The exercise price of the Warrants B will be determined and announced by our Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:-

- i. The Warrants B will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) who successfully subscribe for the Rights Shares;
- ii. The historical trading prices of OCK Shares for the past 12 months; and
- iii. The maximum discount for the exercise price of the Warrants B shall not be more than 25% to the TERP based on the 5-day VWAP of OCK Shares immediately preceding the price-fixing date.

For illustrative purposes only, the exercise price of the Warrants B is assumed at an indicative exercise price of RM0.420 per Warrant B, which represents the TERP, calculated based on the 5-day VWAP of OCK Shares up to and including the LPD of RM0.438. Accordingly, the indicative exercise price of RM0.420 per Warrant B represents a discount of approximately 4.11% to the 5-day VWAP of OCK Shares up to and including the LPD of RM0.438 per OCK Share.

### **2.4 Ranking of the Rights Shares and new OCK Shares to be issued arising from the exercise of the Warrants B**

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new OCK Shares to be issued arising from the exercise of the Warrants B shall, upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that the new OCK Shares to be issued arising from the exercise of the Warrants B shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new OCK Shares.

## 2.5 Listing of and quotation for the Rights Shares, Warrants B, new OCK Shares to be issued arising from the exercise of the Warrants B and additional securities arising from consequential adjustments

Bursa Securities had, vide its letter dated 13 October 2020, approved the admission of the Warrants B to the official list of Bursa Securities as well as the listing of and quotation for the Rights Shares, Warrants B, additional Warrants A to be issued arising from the adjustments pursuant to the Proposed Rights Issue with Warrants and the new OCK Shares to be issued arising from the exercise of the Warrants B and additional Warrants A, on the Main Market of Bursa Securities.

## 2.6 Maximum Subscription Level, undertakings and underwriting arrangements for the Proposed Rights Issue with Warrants

Our Board has determined to undertake the Proposed Rights Issue with Warrants on the Maximum Subscription Level to raise the maximum gross proceeds possible from the Proposed Rights Issue with Warrants of up to RM24,452,918 (based on the indicative issue price of RM0.20 per Rights Share), which will be channelled towards the proposed utilisation as set out in Section 2.8 of this Circular.

The Maximum Subscription Level is based on the Undertakings of the Undertaking Shareholders and the Underwriting Arrangement.

As at the LPD, the Undertaking Shareholders collectively hold 326,367,150 OCK Shares representing approximately 34.05% of the issued share capital of OCK. For further clarification, AASB and Mr Ooi are persons acting in concert with each other.

The details of the Undertakings under the Minimum Scenario are set out below:-

Undertaking shareholder	Direct shareholdings as at the LPD		Undertakings		Direct shareholdings after the Proposed Rights Issue with Warrants		Funding required <sup>4</sup> RM
	No. of OCK Shares	% <sup>1</sup>	No. of Rights Shares	% <sup>2</sup>	No. of OCK Shares	% <sup>3</sup>	
AASB	325,995,150	34.01	32,599,515	34.01	358,594,665	34.01	6,519,903
Mr Ooi	372,000	0.04	37,200	0.04	409,200	0.04	7,440
<b>Total</b>	<b>326,367,150</b>	<b>34.05</b>	<b>32,636,715</b>	<b>34.05</b>	<b>359,003,865</b>	<b>34.05</b>	<b>6,527,343</b>

### Notes:-

<sup>1</sup> Based on our total issued shares as at the LPD, of 958,572,962 OCK Shares

<sup>2</sup> Based on 95,857,296 Rights Shares to be issued under the Minimum Scenario

<sup>3</sup> Computed based on our enlarged issued shares of 1,054,430,258 OCK Shares after the Proposed Rights Issue with Warrants under the Minimum Scenario

<sup>4</sup> Computed based on the indicative issue price of RM0.20 per Rights Share

The Undertaking Shareholders had respectively confirmed, vide their respective letters dated 26 August 2020, that they have sufficient financial resources to take up their respective entitlements as specified in the Undertakings and such confirmations have been verified by UOBKH, being the Adviser for the Proposed Rights Issue with Warrants.

In view that the Proposed Rights Issue with Warrants will be undertaken on the Maximum Subscription Level, we had appointed UOBKH as the Underwriter and had procured an underwriting arrangement with UOBKH, for the remaining portion of Rights Shares with Warrants B for which no irrevocable and unconditional undertaking has been obtained.

The Underwriting Arrangement shall be subject to an underwriting agreement to be executed between the Company and the Underwriter at a later date prior to the announcement of the Entitlement Date. The salient terms of the Underwriting Agreement including, amongst others, any terms that may allow the Underwriter to withdraw from the obligations pursuant to the Underwriting Agreement shall be determined and disclosed in the abridged prospectus for the Proposed Rights Issue with Warrants to be issued by OCK at a later date. The underwriting commission will be fully borne by the Company at arms' length and based on normal commercial terms.

For illustration purpose, the details of the Underwriting Arrangement are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	%	No. of Shares	%
Total number of Rights Shares to be issued	95,857,296	100.00	122,264,591	100.00
Less: Rights Shares pursuant to the Undertakings	(32,636,715)	(34.05)	(32,636,715) <sup>*1</sup>	(26.69)
<b>Total number of Rights Shares to be underwritten pursuant to the Underwriting Arrangement by UOBKH</b>	<b>63,220,581</b>	<b>65.95</b>	<b>89,627,876</b>	<b>73.31</b>

**Note:-**

<sup>\*1</sup> Assuming the Undertaking Shareholders do not exercise any Warrants A under the Maximum Scenario

For avoidance of doubt, the Entitled Shareholders and/ or their renounee(s) (excluding the Underwriter), shall be given priority and shall first be allocated all their respective entitlements and excess Rights Shares with Warrants B applied for. Upon completion of the allocation of such respective entitlements and excess Rights Shares with Warrants B to the Entitled Shareholders and/ or their renounee(s), the Underwriter shall then apply and be allocated for the remaining number of unsubscribed Rights Shares, if any, to meet the Maximum Subscription Level. In the event the maximum number of Rights Shares available for subscription pursuant to the Proposed Rights Issue with Warrants are subscribed for by the Entitled Shareholders and/ or their renounee(s) (excluding the Underwriter), the Underwriter will not apply and be allocated for any Rights Shares.

As the Proposed Rights Issue with Warrants is being undertaken on the Maximum Subscription Level, the Proposed Rights Issue with Warrants is not expected to give rise to any mandatory general offer obligation pursuant to the Rules.

Pursuant to Paragraph 8.02(1) of the Listing Requirements, we must ensure that at least 25% of the total listed OCK Shares are in the hands of public shareholders. For information purpose, our public shareholding spread is not expected to fall below 25% of our enlarged issued shares after the completion of the Proposed Rights Issue with Warrants, in view that the Proposed Rights Issue with Warrants is being undertaken on the Maximum Subscription Level.

**2.7 Indicative salient terms of the Warrants B**

Issue size : Up to 122,264,591 Warrants B

Form : The Warrants B will be issued in registered form and constituted by the Deed Poll B



- Exercise period : The Warrants B may be exercised at any time within 5 years commencing from and including the date of issuance of the Warrants B ("**Issue Date**") and expiring at the close of business at 5.00 p.m. in Kuala Lumpur on the date immediately preceding the 5th anniversary from and inclusive of the Issue Date, and if such a day is not a market day, on the immediately preceding market day. Warrants B not exercised during the exercise period will thereafter lapse and cease to be valid
- Mode of exercise : The Warrant B holder is required to lodge an exercise form, as set out in the Deed Poll B, with the Company's share registrar, duly completed and signed together with the payment of the exercise price for the new OCK Shares subscribed for by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the provisions of the Deed Poll B
- Exercise price : The exercise price of the Warrants B shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, subject to adjustments in accordance with the provisions of the Deed Poll B
- Exercise rights : Each Warrant B entitles the Warrant B holder to subscribe for 1 new OCK Share at the exercise price at any time during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll B
- Board lot : For the purpose of trading on Bursa Securities, 1 board lot of Warrants B shall comprise of 100 units of Warrants B carrying the right to subscribe for 100 new OCK Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities from time to time
- Rights of the holders of Warrants B : The new OCK Shares arising from the exercise of the Warrants B shall rank equally with the existing OCK Shares except that they are not entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of which is prior to the date of allotment and issuance of new OCK Shares upon the exercise of the Warrants B. The Warrants B further do not entitle the Warrant B holders to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant B holders exercise their Warrants B into new OCK Shares
- Adjustments in the exercise price and/ or number of Warrants B : Subject to the provisions in the Deed Poll B, the exercise price and/ or number of unexercised Warrants B shall be adjusted by the Board in consultation with an approved adviser appointed by the Company or certified by the auditors of the Company in the event of, amongst others, bonus issue, consolidation of shares, alteration to the share capital of the Company, capital distribution or issue of securities convertible into shares in accordance with the provisions of the Deed Poll B
- Rights in the event of winding-up, liquidation, compromise and/ or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- i. for the purpose of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant B holders (or some persons designated by them for such purposes by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant B holders; and

- ii. in any other case, every Warrant B holder shall be entitled to exercise the exercise rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks after the granting of the court order approving the winding up, liquidation, compromise or arrangement, as the case may be (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), by the irrevocable surrender of his Warrants B to the Company, by submitting the duly completed exercise notice(s) authorising the debit of his Warrants B, together with payment of the relevant payments and fees for the exercise price, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the exercise rights to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new OCK Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company must give effect to such election accordingly

Listing status	:	The Warrants B shall be listed and quoted on the Main Market of Bursa Securities
Modifications	:	Save as otherwise provided in the Deed Poll B any modification, amendment, deletion or addition to the Deed Poll B (including the rights of the holders of the Warrants B, form and content of the warrant certificates to be issued in respect of any Warrants B) may be effected only with a sanction of a special resolution (unless the modification, amendment, deletion or addition is required to correct any typographical errors, related to purely administrative matters, required to comply with any prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of Warrant B holders), by a deed to be executed by the Company and expressed to be supplemental to the Deed Poll B and if the requirements of the Deed Poll B have been complied with.
Governing law	:	Laws and regulations of Malaysia.

## 2.8 Utilisation of proceeds from the Proposed Rights Issue with Warrants

Based on the indicative issue price of RM0.20 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue with Warrants will be utilised in the following manner:-

	Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment of bank borrowings <sup>*1</sup>	Within 12 months	10,000	10,000
Working capital <sup>*2</sup>	Within 12 months	7,971	13,253
Estimated expenses in relation to the Proposals <sup>*3</sup>	Within 1 month	1,200	1,200
<b>Total</b>		<b>19,171</b>	<b>24,453</b>

**Notes:-**

\*1 For the financial year ended 31 December 2019, our Group incurred financing cost of approximately RM31.75 million and in an effort to reduce such financing costs of our Group, we have earmarked an amount of RM10.00 million to pare down our Group's existing bank overdrafts which stood at approximately RM65.96 million as at the LPD. Such allocation of proceeds to pare down bank overdrafts may potentially result in interest savings of up to approximately RM0.69 million per annum.

Further details on the potential interest savings from the repayment of bank overdrafts are set out as follows:-

Type of facility	Amount outstanding as at the LPD RM'000	Effective annual interest rate as at the LPD %	Proposed utilisation of proceeds		Estimated yearly interest cost savings arising from the repayment	
			Minimum Scenario RM'000	Maximum Scenario RM'000	Minimum Scenario RM'000	Maximum Scenario RM'000
Bank overdrafts	65,962	6.89	10,000	10,000	689	689

\*2 The proceeds earmarked for working capital are intended to partially defray the operational expenses of our Group's telecommunication network services segment, which include, amongst others, upgrade and replacement of telecommunication network services equipment, office rental and land lease rental for new and existing telecommunication tower sites. The breakdown of the proceeds to be utilised for working capital are subject to our Group's operating requirements at the time of utilisation and can only be determined at a later stage.

\*3 The proceeds earmarked for estimated expenses in relation to the Proposals will be utilised as set out below:-

	RM'000
Professional fees and underwriting commission (i.e. Adviser, Underwriter and solicitors)	935
Regulatory fees	115
Other incidental expenses in relation to the Proposals	150
<b>Total</b>	<b><u>1,200</u></b>

Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds to be utilised for the working capital of our Group.

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants is dependent on the final issue price and the number of Rights Shares to be issued. Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against the amount allocated for the working capital of our Group.

Pending the utilisation of proceeds from the Proposed Rights Issue with Warrants for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as working capital of our Group.

The gross proceeds to be raised from the exercise of the Warrants B is dependent on the total number of Warrants B exercised during the tenure of the Warrants B as well as the exercise price of the Warrants B. As such, the exact amount to be raised and timeframe for utilisation of the proceeds from the exercise of the Warrants B is not determinable at this juncture. For illustrative purposes only, the gross proceeds to be raised upon the full exercise of the Warrants B based on the indicative exercise price of RM0.420 per Warrant B under the Minimum Scenario and Maximum Scenario is set out below:-

	Minimum Scenario	Maximum Scenario
No. of Warrants B	95,857,296	122,264,591
Total gross proceeds raised assuming all outstanding Warrants B are exercised (RM)	40,260,064	51,351,128

Such gross proceeds to be raised from the exercise of Warrants B will be utilised as additional working capital to finance our Group's day to day operations. The proceeds may be utilised to finance, amongst others, employee salaries, payment to trade creditors as well as general expenses such as utilities and office expenses, the breakdown of which has not been determined at this juncture.

## 2.9 Other fund raising exercises in the past 12 months

For shareholders' information, we had on 7 October 2019 announced the private placement of up to 10% of the total number of issued shares of OCK ("**Private Placement**"). A total of 87,100,000 OCK Shares were issued at the issue price of RM0.60 per OCK Share pursuant to the Private Placement, which raised gross proceeds of RM52.26 million. The Private Placement was completed on 6 November 2019 and the status of the utilisation of proceeds raised from the Private Placement as at the LPD is set out below:-

Proposed utilisation	Timeframe for utilisation from completion of the Private Placement	Amount allocated RM '000	Amount utilised RM'000
Development and acquisition of green energy assets <sup>*1</sup>	Within 24 months	47,160	47,160
Working capital <sup>*2</sup>	Within 12 months	4,058	4,058
Estimated expenses in relation to the Private Placement	Upon completion	1,042	1,042
<b>Total</b>		<b>52,260</b>	<b>52,260</b>

### Notes:-

\*1 The proceeds raised is intended to be utilised for the following acquisitions:-

- i. On 20 December 2019, our Board had announced that Milab Marketing Sdn Bhd ("**MMSB**"), a wholly-owned subsidiary of OCK had entered into a conditional shares sales agreement ("**SSA**") for the acquisition of 6,600,000 ordinary shares, representing 100% equity interest in Green Leadership Sdn Bhd ("**Acquisition of Green Leadership**").

As at 28 September 2020, RM31.65 million had been paid and our Group had acquired 4 solar farms with an installed capacity of 3.3 megawatts ("**MW**") pursuant to the Acquisition of Green Leadership and the Acquisition of Green Leadership was completed on even date. For shareholders' information, the highest percentage ratio applicable to the Acquisition of Green Leadership pursuant to Paragraph 10.02(g) of the Listing Requirements is 10.56%. As such, the Acquisition of Green Leadership was not subject to shareholders' approval

- ii. On 12 February 2020, our Board had announced that MMSB had completed the acquisition of 3,600,000 ordinary shares representing 100% equity interest in Solar System & Power Sdn Bhd.

*As at 31 July 2020, RM13.00 million had been paid pursuant to the abovementioned acquisition and our Group had acquired 2 solar farms with an installed capacity of 2.0MW pursuant to the acquisition of Solar System & Power Sdn Bhd. For shareholders' information, the highest percentage ratio applicable to the acquisition of Solar System & Power Sdn Bhd pursuant to Paragraph 10.02(g) of the Listing Requirements is 3.25%. As such, the acquisition of Solar System & Power Sdn Bhd is not subject to shareholders' approval.*

*The balance of the proceeds earmarked for the development and acquisition of green energy assets amounting to RM2.51 million had been utilised for the development of green energy assets, which will include amongst others, testing and corrective maintenance and purchasing supporting equipment*

<sup>2</sup> *The proceeds allocated for working capital were utilised for general expenses, repair, maintenance and upgrade costs in relation to the abovementioned acquired green energy assets*

Save for the Private Placement, we have not undertaken any other equity fund raising exercises in the 12 months prior to the date of this Circular.

### **3. PROPOSED ESOS**

The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for OCK Shares.

The Proposed ESOS will be administered by the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by our Board to administer the Proposed ESOS in such manner it shall, in its discretion deem fit, in accordance with the provisions set out in the Bylaws. The decision as to whether the allocation of the ESOS Options will be granted on staggered basis over the duration of the Proposed ESOS shall be determined by the ESOS Committee at a later date.

The ESOS Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:-

- i. issuance of new OCK Shares;
- ii. transfer of OCK's treasury shares (if any) or any other methods as may be permitted by the Act; or
- iii. a combination of any of the above.

In considering the mode of satisfaction as referred to in item (i) to (iii) above, the ESOS Committee will take into consideration amongst others, factors such as the prevailing market price of OCK Shares and the potential cost arising from the granting of ESOS Options.

The salient features of the Proposed ESOS are set out below:-

#### **3.1 Maximum number of OCK Shares available under the Proposed ESOS**

The maximum number of OCK Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued OCK Shares at any point in time over the duration of the Proposed ESOS.

#### **3.2 Basis of allotment and maximum allowable allotment**

The maximum number of ESOS Options that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the employment grade, length of service, performance appraisal and past and future contributions of the Eligible Person and shall be subject to the following:-

- i. The Directors and senior management of our Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their respective allocation of ESOS Options as well as allocation of ESOS Options to persons connected with them, if any;
- ii. The allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the total number of issued OCK Shares, must not exceed 10% of the total number of OCK Shares to be made available under the Proposed ESOS; and
- iii. not more than 70% of the total number of OCK Shares to be made available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of our Group (excluding dormant subsidiaries), on the basis that they are crucial to the performance of our Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time.

In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person and persons connected with him/ her who are also members of the ESOS Committee shall not participate in the deliberation, discussion and/ or voting of such Eligible Person's own allocation of the ESOS Options or allocation to persons connected with them.

The ESOS Committee has the discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting conditions are subject to performance target. As at the date of this Circular, we have yet to determine any specific performance targets, which are required to be achieved before the exercise of ESOS Options by an Eligible Person. The ESOS Committee has the discretion to determine whether the Eligible Person is required to achieve any specific performance target(s) before he/ she may exercise the ESOS Options granted to him/ her. Any such performance target(s) if set, shall be stated in the offer letter to the Eligible Person.

### **3.3 Eligibility**

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following conditions as at the Offer Date shall be eligible to participate in the Proposed ESOS:-

- i. the Director or employee shall have attained the age of 18 years on the Offer Date and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- ii. if an employee or executive Director, he/ she must have been employed by our Company and/ or a subsidiary within our Group, which is not dormant, and his/ her employment as an Eligible Person must have been confirmed on the Offer Date, irrespective of whether he/ she was transferred to a subsidiary within our Group which is not dormant, in which case he/ she must have been a confirmed employee in that subsidiary within our Group which is not dormant, employed on a full-time basis and not employed on a fixed-term contract, and has not served a notice to resign nor received a notice of termination;
- iii. if a non-executive Director, he/ she must have been appointed and remain appointed as a Director of OCK and/ or any subsidiary within our Group, which is not dormant, as at the Offer Date; and/ or
- iv. they must fulfil such other eligibility criteria as may be determined by the ESOS Committee from time to time.

The Directors are eligible to participate in the ESOS, provided such entitlement under the ESOS is approved by our shareholders at a general meeting.

The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Person under the Proposed ESOS, subject to Section 3.2 of this Circular, shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

### **3.4 Duration**

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the Proposed ESOS ("**ESOS Effective Date**").

On or before the expiry of the above initial 5-year period, the Proposed ESOS may be extended by our Board at its absolute discretion, without having to obtain approval from shareholders, for a further period of up to 5 years, but will not in aggregate exceed 10 years from the ESOS Effective Date or such longer period as may be allowed by the relevant authorities.

### **3.5 Basis of determining the exercise price**

Subject to any adjustments made under the Bylaws and pursuant to the Listing Requirements, the exercise price of the ESOS Options shall be based on the 5-day VWAP of OCK Shares immediately preceding the Offer Date, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/ or any other relevant authorities from time to time, as determined by our Board upon recommendation of the ESOS Committee which shall be binding and conclusive.

### **3.6 Ranking of the OCK Shares pursuant to the exercise of ESOS Options**

The OCK Shares to be issued and/ or transferred via treasury shares upon the exercise of the ESOS Options, shall upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that such OCK Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such OCK Shares.

### **3.7 Holding of OCK Shares**

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of OCK Shares to be issued and/ or transferred via treasury shares arising from the exercise of ESOS Options as it deems fit.

In addition to the above, pursuant to Paragraph 8.20 of the Listing Requirements, an eligible Director who is a non-executive Director of OCK and/ or any of its subsidiaries, which are not dormant, shall not sell, transfer or assign the OCK Shares obtained through the exercise of the ESOS Options offered to him/ her within 1 year from the Offer Date.

### **3.8 Listing of and quotation for the new OCK Shares to be issued arising from the exercise of ESOS Options**

Bursa Securities had vide its letter dated 13 October 2020, approved the listing of and quotation for such number of new OCK Shares, representing up to 15% of our total number of issued shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

### **3.9 Utilisation of proceeds from the Proposed ESOS**

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

The proceeds to be raised from the Proposed ESOS will be utilised for the working capital requirements of our Group, as and when received. Thus, the exact timeframe for utilisation of such proceeds is not determinable at this juncture.

The proceeds for working capital will be utilised to finance our Group's day-to-day operational costs including, amongst others, repayment to trade creditors as well as general expenses such as but not limited to staff costs, office rental costs and utilities. Notwithstanding the foregoing, a detailed breakdown of each component of the working capital requirements of our Group cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the Proposed ESOS.

## **4. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS**

### **4.1 Proposed Rights Issue with Warrants**

Our Board is of the view that the Proposed Rights Issue with Warrants is the most appropriate avenue to raise the necessary funding for our Group as set out in Section 2.8 of this Circular after taking into consideration the following:-

- i. the Proposed Rights Issue with Warrants will strengthen our financial position and capital base, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in Section 6.2 of this Circular;
- ii. the Proposed Rights Issue with Warrants will enable the issuance of new OCK Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants;
- iii. the Proposed Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares; and
- iv. as set out in Section 2.8 of this Circular, RM10.00 million of the proceeds to be raised is intended to be utilised for the repayment of bank borrowings, which is expected to reduce our Group's financing costs and improve our gearing level. In addition, up to RM13.25 million of the proceeds to be raised will be used to fund our Group's immediate working capital requirements and further reduce our Group's reliance on bank borrowings.

The Warrants B have been attached to the Rights Shares to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants B will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants B and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants B. We would also be able to raise additional proceeds as and when the Warrants B are exercised.



## 4.2 Proposed ESOS

The Proposed ESOS is expected to achieve the following objectives:-

- i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for our Group;
- ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise the value of OCK Shares upon disposal;
- iii. to align the interests of Eligible Persons with that of our shareholders' through the achievement of our Group's objectives and plans;
- iv. to attract prospective employees with relevant skills and experience to our Group by making compensation packages offered more competitive; and
- v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to our Group by enabling them to participate directly in our equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of our Group.

The Proposed ESOS is also extended to non-executive Directors of our Group in recognition of their contributions towards the growth and performance of our Group.

## 5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

Our Group is principally involved in the four following business segments:-

- i. **Telecommunication network services** – involves the provision of full turnkey telecommunication services comprising network planning, design and optimisation, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services. As a NFCP licensee, OCK is able to build, own and lease telecommunication towers and rooftop structures to the telecommunication operators in Malaysia. Our Group's telecommunication network services has a regional presence, namely in Myanmar, Vietnam, Indonesia, Cambodia and China;
- ii. **Trading of telecommunication and network products** – includes the trading of telecommunication hardware and equipment materials such as antennas, feeder cables and connectors;
- iii. **Green energy and power solutions** – involves the construction and operation of solar farms as well as the supply of power generation equipment, inclusive of installation, commissioning and testing services; and
- iv. **Mechanical and electrical engineering services** – consists of the provision of mechanical and electrical services to the construction industry, which include amongst others, housing development projects, commercial high-rise buildings, hospitals and factories. We are also capable of providing project management, supply and installation of most mechanical and electrical services.

Based on our Group's latest audited consolidated financial statements for the FYE 31 December 2019, the telecommunication network services segment was our main revenue contributor as set out below:-

Segment	Revenue RM'million	% of Group's total revenue
Telecommunication network services	392.37	82.89
Mechanical and electrical engineering services	36.58	7.73
Green energy and power solutions	32.18	6.80
Trading of telecommunication and network products	12.25	2.59
<b>Total</b>	<b>473.37</b>	<b>100.00</b>

## 5.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 3.6% in the fourth quarter of 2019 (3Q 2019: 4.4%), supported by higher private sector spending (7.4%; 3Q 2019: 5.4%). However, growth was affected by a decline in net exports. On the supply side, higher growth in the services and construction sectors was weighed down by supply disruptions in the commodities sector. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.6% (3Q 2019: 0.9%). For 2019 as a whole, the economy expanded by 4.3% (2018: 4.7%).

*(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2019, Bank Negara Malaysia)*

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the Movement Control Order ("**MCO**"), followed by the Conditional and Recovery MCO, during 2Q 2020.

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-a-vis the previous quarter.

Private consumption growth declined by 18.5% in 2Q 2020 (1Q 2020: 6.7%). Household spending was particularly impacted by the strict movement restrictions in the early part of the quarter and income losses amid weak economic conditions. As movement restrictions were gradually relaxed towards the end of the quarter, retail and financing data indicated some improvement in spending, albeit remaining subdued. During this challenging period, stimulus measures such as the disbursement of Bantuan Prihatin Nasional cash transfers, Employees Provident Fund i-Lestari withdrawals and the implementation of the loan moratorium helped to cushion consumption spending. Public consumption continued to expand, albeit at a more moderate pace of 2.3% (1Q 2020: 5.0%). Growth was supported by continued increase in emoluments amid lower spending on supplies and services. Public consumption continued to expand, albeit at a more moderate pace of 2.3% (1Q 2020: 5.0%). Growth was supported by continued increase in emoluments amid lower spending on supplies and services.

Gross fixed capital formation registered a sharper contraction of 28.9% (1Q 2020: -4.6%), weighed by significantly lower capital spending by both public and private sectors. By type of asset, both investment in structures and machinery & equipment ("**M&E**") declined by 41.2% (1Q 2020: -4.0%) and 11.1% (1Q 2020: -6.2%), respectively. Private investment declined by 26.4% (1Q 2020: -2.3%), due mainly to the COVID-19 containment measures and heightened uncertainty which affected business sentiments and investment intentions. During the quarter, investment was affected by mobility restrictions, which temporarily halted the implementation of projects. Despite the gradual relaxation of the MCO, firms maintained a cautious approach to capital expenditure amid slower production and disruptions to global value chains. Furthermore, businesses also faced challenges in the delivery and installation of M&E amid border closures. Public investment also recorded a larger decline of 38.7% (1Q 2020: -11.3%). This was due to a contraction in capital spending by both general government and public corporations due mainly to the movement restrictions.

*(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)*

Against a highly challenging global economic outlook, Malaysia's gross domestic product ("**GDP**") growth is projected to be between -2.0 to 0.5% in 2020. The domestic economy will be impacted by the necessary global and domestic actions taken to contain the COVID-19 outbreak. Of significance, tourism-related sectors are expected to be affected by broad-based travel restrictions and travel risk aversion, while production disruptions in the global supply chain will weigh on the manufacturing sector and exports. The implementation and subsequent extension of the MCO, while critical, will dampen economic activity following the suspension of operations by non-essential service providers and lower operating capacity of manufacturing firms. Beyond the MCO period, reduced social and recreational activities until the pandemic is fully controlled globally and domestically will continue to dampen consumption and investment activity. Apart from the pandemic, the domestic economy will also be affected by the sharp decline and volatile shifts in crude oil prices and continued supply disruption in the commodities sector. Unfavourable weather conditions and maintenance works will weigh on the production of oil palm, crude oil and natural gas.

Given the significant headwinds to growth arising from COVID-19, the Government and Bank Negara Malaysia ("**BNM**") have introduced large countercyclical policy measures to mitigate the economic impact of the pandemic. Two economic stimulus packages amounting to RM250 billion were introduced to provide immediate relief to affected households and businesses. These packages also include loan guarantees and an automatic 6-month moratorium on loan repayments for individuals and small and medium enterprises. The economic stimulus measures were complemented by two consecutive Overnight Policy Rate reductions early this year and measures to provide additional liquidity in the banking system.

Private consumption is expected to be dampened by weak labour market conditions, mobility restrictions and subdued sentiments. Nonetheless, policy measures introduced in the two economic stimulus packages, including cash transfers to vulnerable households, flexibility to withdraw from Employees Provident Fund savings and the moratorium on loan repayments will increase disposable income and improve cash flow for households. In addition to supporting household spending, these broad-based measures will facilitate a gradual recovery in private consumption as labour market conditions eventually stabilise following the projected improvement in global and domestic economic activities.

Domestic growth prospects are expected to improve towards the end of the year, in line with the projected recovery in global demand and amid continued support from policy measures. Recovering external demand will lift growth in the export-oriented sectors. Consumer sentiments are also expected to gradually improve following the easing of travel restrictions and resumption of tourism activities as risks from the pandemic subside. In addition, the anticipated recovery from supply disruptions in the commodities sector and higher public sector expenditure will support the gradual improvement in the Malaysian economy in the latter part of the year. Public sector spending will be underpinned by the continuation of large-scale transport-related projects by public corporations and the implementation of more small-scale projects worth RM4 billion by the Federal Government.

Overall risks to the domestic growth outlook are tilted to the downside, mainly due to the risk of a prolonged and wider spread of COVID-19 and its effects on the global and domestic economy. Domestic growth also remains susceptible to a recurrence of commodities supply shocks and continued low commodity prices which could pose additional risks to production in the commodities sector, exports and income growth. In addition, heightened financial market volatility due to ongoing external uncertainties may lead to tighter domestic financial market conditions. The baseline growth projection could, however, be lifted by a stronger-than-expected impact from the various stimulus measures by the Federal Government and additional measures implemented by several state governments.

*(Source: Executive Summary, Economic and Monetary Review 2019, Bank Negara Malaysia)*

Growth in Malaysia fell to just 0.7% year-on-year in 1Q 2020. As the COVID-19 pandemic affected global supply chains in 1Q 2020, exports of goods and services shrank by 7.1%. Investment also declined as public investment fell by 11.3% and private investment by 2.3%. Consumption remained a bright spot in the economy, growing by 6.5% as stronger public consumption offset weaker private consumption. However, with movement throughout the country restricted since 18 March to arrest the spread of COVID-19, domestic consumption is expected to contract in 2Q 2020. External demand is likely to be similarly weak as trade partners continue to grapple with the effects of COVID-19. With the outlook having deteriorated since Asian Development Bank's Asian Development Outlook 2020, the Malaysian economy is expected to contract by 4.0% in 2020 before recovering to 6.5% growth in 2021.

*(Source: Asian Development Outlook Supplement, June 2020, Asian Development Bank)*

## **5.2 Overview and outlook of the telecommunications industry in Malaysia**

In the first quarter of 2020, the services sector expanded 3.1% mainly supported by wholesale and retail trade (2.1%); information and communication (6.7%); as well as finance and insurance (4.9%).

*(Source: Malaysian Economy First Quarter 2020, Ministry of Finance Malaysia)*

The services sector contracted by 16.2% (1Q 2020: 3.1%). The sector was affected by the implementation of a nationwide restrictive MCO, with only essential services such as food-related retail, utilities, banking, transportation as well as information and communication entities allowed to operate with very limited capacity. The subsequent transition to Conditional MCO in May and Recovery MCO in June provided some relief to businesses in the sector. The lockdown had substantially affected consumer spending and tourism activity, as shown by the significant declines in the wholesale and retail trade, as well as food and beverages and accommodation sub-sectors. The transport and storage sub-sector was impacted by a sudden stop in tourist arrivals due to travel restrictions imposed domestically as well as the international border closures. Growth in the finance and insurance sub-sector was weighed down by lower net interest income, and lower fee-based income amid subdued capital market activity. Meanwhile, growth in the information and communication sub-sector was relatively sustained by the continued high demand for data communication services especially during this period of remote working arrangements.

*(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)*

The communication segment will continue to spearhead the subsector with various Government's initiatives to enhance broadband access and coverage through National Fiberisation and Connectivity Plan ("**NFCP**"). This plan focuses on expanding the existing fibre optic network, installing the existing fibre optic network, installing submarine cables and developing gigabyte networks in several locations in state capitals and selected industrial areas. In addition, the Digital Free Trade Zone which emphasises on the growth of the digital economy and cross-border e-commerce activities, including e-fulfilment hub to enhance exports will continue to support the segment.

Meanwhile, the introduction of the fifth generation cellular network ("**5G**") is anticipated to drive the growth of the subsector to 6.9% in 2020. The 5G technology will create a competitive market for home broadband services as well as increase the coverage and network quality. This will strengthen Malaysia's capacity to participate in the Industrial Revolution 4.0, allowing the industry to fully utilise artificial intelligence, robotics, virtual reality, big data analytics, Internet of Things and software engineering, leading to higher digital adoption. In addition, NFCP will provide affordable broadband services to support the digital economy, especially to small to medium enterprises. In the meantime, i-Solutions offers a seamless, borderless digital connectivity solution for the Malaysian market mainly for the small-medium enterprises and multi-national corporations.

*(Source: Macroeconomic Outlook, Economic Outlook 2020, Ministry of Finance Malaysia)*

### **5.3 Overview and outlook of the renewable energy sector in Malaysia**

Energy efficiency and renewable energy are the main pillars of the energy transition, and together they can provide over 90% of the energy-related carbon emissions reduction that is required, by using technologies that are safe, reliable, affordable and widely available. As one of the fastest developing regions in the world, the countries of South East Asia could see a 40% rise in regional primary energy demand up to 2040, according to the International Energy Agency. To meet this sizeable increase in demand, The Association of South East Asian Nations ("**ASEAN**") countries are rapidly scaling up their generation capacity with large renewable projects making it well positioned to become a renewable energy hub.

A 2019 report published by the global auditing firm, KPMG entitled "*The Renewable Energy Transition*" states that there are still about 70 million people in ASEAN without access to reliable electricity supply, which has presented opportunities for these governments to tap into the region's vast renewable energy resources. In the past, the high cost of producing renewable energy discouraged governments from tapping this resource. However, with increasing public awareness of sustainable energy and a newfound openness to pay higher rates for clean energy, ASEAN governments are being motivated to invest more state funds into renewable energy projects. ASEAN member states are now focused on increasing their share of renewable energy in their energy mix as part of their sustainable energy growth and climate change commitments. As a region, ASEAN has also set a target for member countries to increase the component of renewable energy in the ASEAN energy mix to 23% by 2025, up from 9% in 2014. These targets are becoming more achievable with declining production costs and technological innovations such as better solar power efficiency and floating solar panels.

Malaysia harbours a wealth of resources capable of generating renewable energy. In 2019, the country taps into about 2%, which the Government targets to increase to 20% by the year 2025. The key objective is to transform our current energy mix into one that comprises more renewable energy sources, not only for the continuity of supply but for the pressing environmental concerns that come with a dependency on fossil fuels. With the threat of climate change and fossil fuels being a finite resource, new ways of generating and supplying energy are needed to secure a sustainable future for the global energy ecosystem. For Malaysia, the energy transition is already underway, and it is focused on expanding the renewable energy capacity in the national energy mix and improving energy efficiency.

Technology advancements in recent years have led to the steady decline in the overall cost of wind and solar energy production, making renewable energy an increasingly viable option for public and private sector decision makers. In line with the government's target to achieve 20% renewable energy in the capacity mix, the Energy Commission is implementing renewable energy related programmes such as Large Scale Solar ("**LSS**"), Net Energy Metering ("**NEM**") and Self Consumption for solar installations. The current opportunities are in the solar industry. Malaysia wants to develop a skilled workforce in solar photovoltaic installation and services. In Malaysia, the new solar average capacity factor is at 17%, compared to 14% previously because of more efficient and cost-effective technologies.

Malaysia's gas component makes up about 35% of the total energy mix in 2018 with coal holding steady at 57% in the coming years. The remaining percentage is currently contributed by a relatively smaller share of renewable energy sources, which needs to be increased in the coming years. While certain conventional fuels such as coal and gas will be retained in the future energy mix, the task at hand is to expand the renewable energy capacity in the national energy mix as well as improving energy efficiency and to see a much larger contribution from renewable energy sources. The main ones that show potential are solar, hydro, biomass, biogas, and geothermal in which many listed companies have diversified into renewable energy business namely solar, mini-hydro and biogas to take advantage of earning concession revenue income from the feed-in tariff system in Malaysia.

The Energy Commission, being Malaysia's energy regulatory authority works closely with Sustainable Energy Development Authority to develop a renewable energy transformation roadmap up to 2035, where it intends to explore other types of renewable energy and the potential capacity Malaysia can achieve. Besides, solar energy, the Energy Commission also licenses biogas, biomass and mini hydro projects in the country. In 2019, Malaysia have generated 393G watt-hour of energy from LSS out of the national capacity of 24,132MW.

Malaysia has set its goal to reach 6,000MW of total installed capacity or 20% coming from renewable energy by 2025. To commit to the adoption of renewable energy on a global scale, Malaysia has aligned its targets with the United Nations Framework Convention on Climate Change 21st Conference of Parties. This aims at cutting down emission intensity by 35 percent to 45 percent based on 2005 GDP, by the year 2030.

*(Source: Volume 18 & 19, 2019, Energy Commission Malaysia)*

#### **5.4 Overview and outlook of the construction sector in Malaysia**

In view that the mechanical and electrical engineering services is a subset of the construction industry, the overview and outlook of the construction industry is set out as follows:-

Growth in the construction sector moderated to 0.1% in 2019 (2018: 4.2%), reflecting mainly the completion and near completion of large infrastructure and mixed development projects. In the non-residential and residential subsectors, fewer and smaller new projects amid the commercial property glut and elevated level of unsold residential properties also contributed to the lower growth. While the civil engineering subsector remained the key contributor to growth, the delay in construction work for major highways, in addition to the completion of large petrochemical projects, led to a moderation in construction growth during the year.

*(Source: Economic, Monetary and Financial Developments in 2019, Economic and Monetary Review 2019, Bank Negara Malaysia)*

Activity in the construction sector declined by 44.5% in 2Q 2020 (1Q 2020: -7.9%), as almost all activities came to a standstill particularly in the month of April. Despite the partial reopening of the economy on 4 May, most construction sites faced challenges restarting due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures ("**SOPs**"). Most of the construction sites were reported to remain idle as developers faced challenges to restart, including financial constraints, initial lack of clarity over the SOPs and COVID-19 testing, and disruptions in the supply of construction materials. However, the situation improved significantly towards the end of the quarter after the Government implemented additional measures to facilitate the revival of the economy.

*(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)*

For 2020, the construction sector is expected to grow further to 3.7% on account of acceleration and revival of mega projects as well as building of affordable homes.

Investment in the infrastructure works is expected to boost the civil engineering segment. These include ECRL, MRT2, LRT3, Electrified Double Track Gemas - Johor Bahru, KVDT2, Central Spine Road, Pan Borneo Highway and Coastal Highway in Sarawak. Meanwhile, in the petrochemical and power plant segments, new projects such as Pengerang Deepwater Terminals (Phase 3), Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (phase 1) are expected to support the growth of this subsector further.

The residential subsector is expected to grow at a slower pace, mainly due to elevating property overhang caused by the mismatch between supply and demand. However, various measures undertaken by the government including the building of 60,000 units per year of affordable homes within 10 years and the reinvigorating of the National Housing Policy are expected to boost the growth of the subsector in 2020. In addition, the enhancement of the Fund for Affordable Homes by BNM will enable the first-time home buyers to enjoy lower monthly commitment up to 20%, which in turn will support the subsector.

In 2020, the performance of the non-residential sector is expected to remain subdued following a lack of initiative on new mega commercial projects. Nonetheless, the ongoing commercial projects such as Bukit Bintang City Centre, KLIA Aeropolis DFTZ Park, Kwasa Damansara, Malaysia Vision Valley and Merdeka 118 Tower are anticipated to support the subsector.

*(Source: Macroeconomic Outlook, Economic Outlook 2020, Ministry of Finance Malaysia)*

Malaysia's economic prospects for 2020 is being severely affected by the COVID-19 pandemic. Strict measures to contain the spread of the pandemic, both globally and domestically, will weigh considerably on both external demand and domestic growth.

Domestically, the economic impact of the MCO is expected to be broad-based, with the largest impact likely felt by the consumer-oriented and labour intensive industries. This includes the services sector, particularly consumer services and construction sectors. Capital-intensive sectors such as mining and electrical and electronics are expected to be the least impacted. In terms of employment, the impact from the slowdown would be larger on the self-employed and those working in small and medium enterprises. However, under the conditional MCO that was effective 4 May 2020, most sectors of the economy were allowed to operate, albeit in a controlled and prudent setting and by observing stringent standard operating procedures. Notwithstanding the lifting of movement restrictions, international travel restrictions and social distancing measures are expected to continue for the remainder of the year.

Reflecting the longer duration of the MCO, followed by the conditional MCO from 4 May to 9 June 2020, the Malaysian economy is expected to contract in the second quarter. However, economic activity is expected to gradually pick up in 2H 2020, following the lifting of the MCO, support from fiscal, monetary and financial measures and progress in transport-related projects by the public sector.

*(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2020, Bank Negara Malaysia)*

## **5.5 Future prospects of our Group**

Our Board is of the view that the outlook for the telecommunications industry in Malaysia is positive with the expected introduction of 5G technology in Malaysia, as set out in Section 5.2 of this Circular. As Malaysian telecommunication operators roll out their 5G networks, our management anticipates potential increase in demand for our telecommunication network services. Our management will leverage our Group's track record and technical know-how to capture potential growth and secure additional telecommunication network services projects.

As set out in Section 2.8 of this Circular, up to approximately RM13.25 million in gross proceeds to be raised from the Proposed Rights Issue with Warrants will be utilised to fund the working capital requirements of our Group's telecommunication network services segment, in anticipation of the abovementioned positive outlook for the industry. Such proceeds will provide our Group with the necessary working capital to undertake new telecommunication network services projects arising from the expected roll out of 5G networks in Malaysia and the successful completion of such projects may contribute positively to our Group's future earnings.

Further to the above, our management remains committed to growing our Group's other businesses, including its existing telecommunications operations in other ASEAN countries, namely Indonesia, Myanmar, Vietnam and China, by leveraging our experience in telecommunication network services to earn new projects.



As at the LPD, our Group has a total telecommunication tower portfolio of over 4,200 towers across Malaysia, Vietnam and Myanmar, which we lease back to local telecommunication operators to generate recurring revenue. Our Group shall continue to invest in both greenfield and brownfield telecommunication opportunities to grow our Group's existing tower portfolio in the aforementioned countries and may potentially expand in to other ASEAN countries should suitable opportunities arise.

Our Group is also developing its green energy and power solutions as a recurring revenue stream, given supporting initiatives from the Malaysian Government as set out in Section 5.3 of this Circular. As at the LPD, our Group owns 17 solar farms generating a total of 11.2MW of energy. As set out in Section 2.9 of this Circular, approximately RM47.16 million raised from the Private Placement had been utilised to finance the development and acquisition of 6 solar farms with an installed capacity of 5.3MW.

Premised on the above and barring any unforeseen circumstances, our Board after having considered all other relevant aspects, including the economy prospects and industry outlook, is cautiously optimistic about our Group's future prospects.

*(Source: Management of OCK)*

## 6. EFFECTS OF THE PROPOSALS

The pro forma effects of the Proposed Rights Issue with Warrants and Proposed ESOS on our Group's issued share capital, NA, gearing, substantial shareholders' shareholdings and earnings and EPS are as follows:-

### 6.1 Issued share capital

The Proposed ESOS will not have an immediate effect on our issued share capital until such time when new OCK Shares are issued pursuant to the exercise of the ESOS Options. Our issued share capital will increase progressively depending on the number of new OCK Shares that are issued pursuant to the exercise of the ESOS Options. However, should the ESOS Options be satisfied via transfer of OCK's treasury shares (if any), there will be no effect on our issued share capital.

The pro forma effects of the Proposed Rights Issue with Warrants and Proposed ESOS on our issued share capital are as follows:-

	<-----Minimum Scenario---->		<-----Maximum Scenario----->	
	No. of OCK Shares	RM	No. of OCK Shares	RM
Issued share capital as at the LPD	958,572,962	295,524,862	958,572,962	295,524,862
Assume full exercise of Warrants A	-	-	264,072,954	187,491,797 <sup>*1</sup>
Reversal of warrant reserve pursuant to the full exercise of Warrants A	-	-	-	84,133,643
	<u>958,572,962</u>	<u>295,524,862</u>	<u>1,222,645,916</u>	<u>567,150,302</u>
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants	95,857,296	8,673,301 <sup>*2</sup>	122,264,591	11,393,253 <sup>*2</sup>
	<u>1,054,430,258</u>	<u>304,198,163</u>	<u>1,344,910,507</u>	<u>578,543,555</u>

	<----Minimum Scenario---->		<----Maximum Scenario----->	
	No. of OCK Shares	RM	No. of OCK Shares	RM
Shares to be issued arising from the full exercise of Warrants B	95,857,296	40,260,064 <sup>*3</sup>	122,264,591	51,351,128 <sup>*3</sup>
Reversal of warrant reserve pursuant to the full exercise of Warrants B	-	9,298,158 <sup>*4</sup>	-	11,859,665 <sup>*4</sup>
	<u>1,150,287,554</u>	<u>353,756,385</u>	<u>1,467,175,098</u>	<u>641,754,348</u>
Assuming full exercise of the ESOS Options	172,543,133 <sup>*5</sup>	65,566,391 <sup>*6</sup>	220,076,264 <sup>*5</sup>	83,628,980 <sup>*6</sup>
<b>Enlarged issued share capital</b>	<b><u>1,322,830,687</u></b>	<b><u>419,322,776</u></b>	<b><u>1,687,251,362</u></b>	<b><u>725,383,328</u></b>

**Notes:-**

- <sup>\*1</sup> Computed based on the exercise price of RM0.71 per Warrant A
- <sup>\*2</sup> Computed based on the indicative issue price of RM0.20 per Rights Share and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account and thereafter deducting the estimated expenses of RM1.20 million in relation to the Proposals
- <sup>\*3</sup> Computed based on the indicative exercise price of RM0.420 per Warrant B
- <sup>\*4</sup> Computed based on the number of Warrants B multiplied by the theoretical fair value of RM0.097 per Warrant B based on the trinomial option pricing model as extracted from Bloomberg as at the LPD
- <sup>\*5</sup> Assuming the maximum grant and full exercise of the ESOS Options of up to 15% of the number of issued OCK Shares pursuant to the Proposed ESOS
- <sup>\*6</sup> Assuming the ESOS Options are exercised into new OCK Shares at the indicative exercise price of RM0.38 per new OCK Share, which represents a discount of approximately 9.52% to the TERP of RM0.42

## 6.2 NA and gearing

For illustration purposes only, the pro forma effects of the Proposed Rights Issue with Warrants on the audited consolidated NA and gearing of our Group as at 31 December 2019 are as follows:-

### Minimum Scenario

	Audited as at 31 December 2019 RM'000	I After the Proposed Rights Issue with Warrants RM'000	II After I and assuming full exercise of Warrants B RM'000
Share capital	295,525	304,198 <sup>*1</sup>	353,756 <sup>*3</sup>
Warrant reserve	84,134	93,432 <sup>*1</sup>	84,134 <sup>*3</sup>
Other reserves	141,840	141,840	141,840
<b>Shareholders' equity/ NA</b>	<b>521,499</b>	<b>539,470</b>	<b>579,730</b>
Non-controlling interests	62,998	62,998	62,998
<b>Total equity</b>	<b><u>584,497</u></b>	<b><u>602,468</u></b>	<b><u>642,728</u></b>
No. of shares in issue ('000)	958,573	1,054,430	1,150,288
NA per share (RM)	0.54	0.51	0.50
Total borrowings	656,500	646,500 <sup>*2</sup>	646,500
Gearing ratio (times)	1.12	1.07	1.01

**Notes:-**

<sup>\*1</sup> Computed based on the subscription of 95,857,296 Rights Shares at the indicative issue price of RM0.20 per Rights Share under the Minimum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account, and the recognition of 95,857,296 Warrants B at the theoretical fair value of RM0.097 per Warrant B based on the trinomial option pricing model as extracted from Bloomberg as at the LPD. Thereafter deducting the estimated expenses of RM1.20 million in relation to the Proposals from the share capital account

<sup>\*2</sup> Assuming RM10.00 million raised from the Proposed Rights Issue with Warrants will be utilised for repayment of our Group's existing bank borrowings under the Minimum Scenario

<sup>\*3</sup> Assuming all 95,857,296 Warrants B are exercised at the indicative exercise price of RM0.420 per Warrant B under the Minimum Scenario and the corresponding partial reversal of the warrant reverse to share capital amounting to approximately RM9.30 million

**Maximum Scenario**

	Audited as at 31 December 2019 RM'000	I Assuming full exercise of Warrants A RM'000	II After I and the Proposed Rights Issue with Warrants RM'000	III After II and assuming full exercise of Warrants B RM'000
Share capital	295,525	567,150 <sup>*1</sup>	578,544 <sup>*2</sup>	641,754 <sup>*4</sup>
Warrant reserve	84,134	- <sup>*1</sup>	11,860 <sup>*2</sup>	- <sup>*4</sup>
Other reserves	141,840	141,840	141,840	141,840
<b>Shareholders' equity/ NA</b>	<b>521,499</b>	<b>708,990</b>	<b>732,244</b>	<b>783,594</b>
Non-controlling interests	62,998	62,998	62,998	62,998
<b>Total equity</b>	<b>584,497</b>	<b>771,988</b>	<b>795,242</b>	<b>846,592</b>
No. of shares in issue ('000)	958,573	1,222,646	1,344,911	1,467,175
NA per share (RM)	0.54	0.58	0.54	0.53
Total borrowings	656,500	656,500	646,500 <sup>*3</sup>	646,500
Gearing ratio (times)	1.12	0.85	0.81	0.76

**Notes:-**

<sup>\*1</sup> Assuming all 264,072,954 Warrants A are exercised at the exercise price of RM0.71 per Warrant A and the reversal of the warrant reserve to the share capital

<sup>\*2</sup> Computed based on the subscription of 122,264,591 Rights Shares at the indicative issue price of RM0.20 per Rights Share under the Maximum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account, and the recognition of 122,264,591 Warrants B at the theoretical fair value of RM0.097 per Warrant B based on the trinomial option pricing model as extracted from Bloomberg as at the LPD. Thereafter deducting the estimated expenses of RM1.20 million in relation to the Proposals from the share capital account

<sup>\*3</sup> Assuming RM10.00 million raised from the Proposed Rights Issue with Warrants will be utilised for repayment of our Group's existing bank borrowings under the Maximum Scenario

<sup>\*4</sup> Assuming all 122,264,591 Warrants B are exercised at the indicative exercise price of RM0.420 per Warrant B under the Maximum Scenario and the reversal of the warrant reserve to share capital

The Proposed ESOS is not expected to have any immediate effect on the NA per Share of our Group until such time when OCK Shares are issued and/ or transferred via treasury shares pursuant to the exercise of ESOS Options. The effects of the Proposed ESOS on our Group's NA would depend on factors such as the number of ESOS Options granted and the fair value of the ESOS Options after taking into account, amongst others, the exercise price of the ESOS Options as well as any vesting conditions. Whilst the granting of ESOS Options under the Proposed ESOS is expected to result in recognition of a charge in the statement of comprehensive income of our Group pursuant to the MFRS 2 as issued by the Malaysian Accounting Standards Board, the recognition of such MFRS 2 charge would not affect the NA of our Group as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

For further clarification, the fair value of the ESOS Options will be determined after taking into consideration, amongst others, the historical volatility of OCK Shares, the risk-free rate, the exercise price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options.

If none of the granted ESOS Options are exercised within the duration of the Proposed ESOS, the amount outstanding in the said equity reserve would be transferred into our retained earnings. On the other hand, if the granted ESOS Options are exercised, the amount outstanding in the said equity reserve would be transferred into our share capital account.

The NA per Share of our Group following the exercise of ESOS Options will increase if the exercise price of the ESOS Options exceeds the consolidated NA per Share at the point of exercise of the ESOS Options and conversely will decrease if the exercise price of the ESOS Options is below the consolidated NA per Share at the point of exercise of the ESOS Options.

The Proposed ESOS is not expected to have an immediate effect on our Group's gearing level until such time when any ESOS Options granted are exercised. The effect on the gearing will depend on changes in the NA, which in turn is dependent on the actual number of OCK Shares to be issued and/ or transferred via treasury shares as well as the exercise price of the ESOS Options payable upon the exercise of the ESOS Options.

### **6.3 Earnings and EPS**

#### **6.3.1 Proposed Rights Issue with Warrants**

The Proposed Rights Issue with Warrants, which is expected to be completed in the first quarter of 2021, is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 December 2020. However, there may be a dilution in the EPS of our Group for the FYE 31 December 2021 due to the increase in the number of OCK Shares in issue arising from the Proposed Rights Issue with Warrants. Notwithstanding that, the Proposed Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group in the ensuing financial year(s) via the utilisation of the proceeds.

#### **6.3.2 Proposed ESOS**

The Proposed ESOS is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2020, save for the possible impact of the MFRS 2 upon granting of the ESOS Options. However, any potential effect on the EPS of our Group in the future would depend on the impact of MFRS 2, the number and exercise price of the ESOS Options exercised as well as the utilisation of the proceeds arising therefrom.

Under the MFRS 2, the potential cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options after taking into account, amongst others, the number of ESOS Options granted and vested and the exercise price, will need to be measured at the grant date and to be recognised as an expense over the vesting period, and therefore may affect the future earnings of our Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by OCK as it is merely an accounting treatment.

As set out in Section 6.2 of this Circular, the fair value of the ESOS Options will be determined after taking into consideration, amongst others, the historical volatility of OCK Shares, the risk-free rate, the exercise price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options.

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

Notwithstanding the above, the EPS of our Group may be diluted depending on the number of OCK Shares to be issued and/ or transferred via treasury shares pursuant to the exercise of ESOS Options. The effects of any exercise of ESOS Options on the EPS of our Group would also depend on the returns to be generated by our Group from the utilisation of proceeds from the exercise of ESOS Options.

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#### 6.4 Substantial shareholdings structure

The Proposed ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings until such time when OCK Shares are issued and/ or transferred via treasury shares arising from the exercise of ESOS Options. Any potential effect on the substantial shareholders' shareholdings will depend on the actual number of OCK Shares to be issued and/ or transferred via treasury shares pursuant to the exercise of ESOS Options at the relevant point in time.

Assuming all the substantial shareholders fully subscribe for their entitlements under the Proposed Rights Issue with Warrants, the pro forma effects of the Proposals on our substantial shareholders' shareholdings are as follows:-

##### Minimum Scenario

Substantial shareholders	I				II									
	Shareholdings as at the LPD				After the Proposed Rights Issue with Warrants				After I and the full exercise of Warrants B					
	<-----Direct----->	%	No. of Shares	%	<-----Direct----->	%	No. of Shares	%	<-----Indirect----->	%	No. of Shares	%	<-----Indirect----->	%
AASB			325,995,150	34.01	-	-	358,594,665	34.01	-	-	391,194,180	34.01	-	-
Lembaga Tabung Angkatan Tentera			107,893,425	11.26	-	-	118,682,767	11.26	-	-	129,472,109	11.26	-	-
Employees Provident Fund Board			65,999,400	6.89	-	-	72,599,340	6.89	-	-	79,199,280	6.89	-	-
Mr Ooi			372,000	0.04	327,051,225 <sup>*1</sup>	34.12	409,200	0.04	359,756,347 <sup>*1</sup>	34.12	446,400	0.04	392,461,469 <sup>*1</sup>	34.12

##### III

##### After II and the Proposed ESOS and assuming full exercise of the ESOS Options

Substantial shareholders	<-----Direct----->	%	No. of Shares	%	<-----Indirect----->	%
AASB			391,194,180	29.57	-	-
Lembaga Tabung Angkatan Tentera			129,472,109	9.79	-	-
Employees Provident Fund Board			79,199,280	5.99	-	-
Mr Ooi			17,700,713 <sup>*2</sup>	1.34	392,461,469 <sup>*1</sup>	29.67

**Notes:-**

<sup>\*1</sup> Deemed interested by virtue of his shareholding in AASB and Ooi Cheng Wah's, being Mr Ooi's brother, direct shareholdings in OCK

<sup>\*2</sup> For illustrative purposes only, assuming Mr Ooi's maximum allocation of 17,254,313 OCK Shares made available for his ESOS Options under the Proposed ESOS, amounting to 10% of the total number of OCK Shares to be made available under the Proposed ESOS, is fully exercised

**Maximum Scenario**

Substantial shareholders	I				II							
	Shareholdings as at the LPD		After the full exercise of Warrants A <sup>*2</sup>		After I and the Proposed Rights Issue with Warrants		After I and the Proposed Rights Issue with Warrants					
	<-----Direct----->	<-----Indirect----->	% No. of Shares	% No. of Shares	<-----Direct----->	% No. of Shares	<-----Indirect----->	% No. of Shares				
AASB	325,995,150	34.01	-	336,080,050	27.49	-	369,688,055	27.49	-			
Lembaga Tabung Angkatan Tentera	107,893,425	11.26	-	107,893,425	8.82	-	118,682,767	8.82	-			
Employees Provident Fund Board	65,999,400	6.89	-	65,999,400	5.40	-	72,599,340	5.40	-			
Mr Ooi	372,000	0.04	327,051,225 <sup>*1</sup>	34.12	930,000	0.08	337,136,150 <sup>*1</sup>	27.57	1,023,000	0.08	370,849,765 <sup>*1</sup>	27.57

**III**

Substantial shareholders	III				IV			
	After II and the full exercise of Warrants B		After III and the Proposed ESOS and assuming full exercise of the ESOS Options		After III and the Proposed ESOS and assuming full exercise of the ESOS Options		After III and the Proposed ESOS and assuming full exercise of the ESOS Options	
	<-----Direct----->	<-----Indirect----->	% No. of Shares	% No. of Shares	<-----Direct----->	% No. of Shares	<-----Indirect----->	% No. of Shares
AASB	403,296,060	27.49	-	403,296,060	23.90	-	-	-
Lembaga Tabung Angkatan Tentera	129,472,109	8.82	-	129,472,109	7.67	-	-	-
Employees Provident Fund Board	79,199,280	5.40	-	79,199,280	4.69	-	-	-
Mr Ooi	1,116,000	0.08	404,563,380 <sup>*1</sup>	27.57	23,123,626 <sup>*3</sup>	1.37	404,563,380 <sup>*1</sup>	23.98

**Notes:-**

<sup>\*1</sup> Deemed interested by virtue of his shareholding in AASB and Ooi Cheng Wah's, being Mr Ooi's brother, direct shareholdings in OCK

<sup>\*2</sup> The warrant holdings of the substantial shareholders as at the LPD is set out below:-

	<b>No. of Warrants A</b>	
	<b>Direct</b>	<b>Indirect</b>
AASB	10,084,900	-
Lembaga Tabung Angkatan Tentera	-	-
Employees Provident Fund Board	-	-
Mr Ooi	558,000	10,084,925 <sup>©</sup>

**Note:-**

<sup>©</sup> Deemed interested by virtue of his shareholding in AASB and Ooi Cheng Wah's, being Mr Ooi's brother, direct warrant holdings in OCK

<sup>\*3</sup> For illustrative purposes only, assuming Mr Ooi's maximum allocation of 22,007,626 OCK Shares made available for his ESOS Options under the Proposed ESOS, amounting to 10% of the total number of OCK Shares to be made available under the Proposed ESOS, is fully exercised

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## 6.5 Convertible securities

As at the LPD, save for the Warrants A, we do not have any other convertible securities. For shareholders' information, as at the LPD, there are 264,072,954 outstanding Warrants A.

The Proposed Rights Issue with Warrants may give rise to adjustments to the exercise price and/ or subscription rights of the outstanding Warrants A held by each holder of the Warrants A pursuant to the Deed Poll A.

Any adjustment which is required will be made in accordance with the provisions of the Deed Poll A to mitigate any potential equity dilution resulting from the Proposed Rights Issue with Warrants and to ensure that the status of the holders of the outstanding Warrants A are not prejudiced after the completion of the said proposal. Any such adjustment will only be finalised on the Entitlement Date. In addition, a notice will be despatched to the holders of Warrant A in the event of any such adjustment.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of OCK Shares as traded on Bursa Securities for the past 12 months from October 2019 to September 2020 are set out below:-

	High RM	Low RM
<b>2019</b>		
October	0.635	0.580
November	0.635	0.570
December	0.600	0.565
<b>2020</b>		
January	0.625	0.575
February	0.655	0.510
March	0.545	0.345
April	0.515	0.395
May	0.590	0.485
June	0.615	0.505
July	0.580	0.490
August	0.535	0.465
September	0.535	0.430
Last transacted market price of OCK Shares as at 2 July 2020 (being the latest trading day prior to the announcement on the Proposals)		0.560
Last transacted market price on 14 October 2020 (being the LPD prior to the printing of this Circular)		0.440

(Source: Bloomberg)

## 8. APPROVALS REQUIRED/ OBTAINED

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

- i. Bursa Securities, for the following:-
  - a. admission of the Warrants B to the official list of Bursa Securities;
  - b. listing of and quotation for up to 122,264,591 Rights Shares and up to 122,264,591 Warrants B pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;

- c. listing of and quotation for up to 122,264,591 new OCK Shares to be issued arising from the exercise of the Warrants B on the Main Market of Bursa Securities;
- d. listing of and quotation for up to 16,338,656 additional Warrants A to be issued arising from the adjustments pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;
- e. listing of and quotation for up to 16,338,656 new OCK Shares to be issued arising from the exercise of any additional Warrants A on the Main Market of Bursa Securities; and
- f. listing of and quotation for such number of new OCK Shares, representing up to 15% of our total number of issued shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities;

the approval of which has been obtained vide Bursa Securities' letter dated 13 October 2020 subject to the following conditions:-

	<b>Conditions</b>	<b>Status of compliance</b>
a.	OCK and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants;	To be complied
b.	OCK and UOBKH to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants;	To be complied
c.	OCK to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed;	To be complied
d.	OCK to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied
e.	UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting; and	To be complied
f.	OCK is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
ii.	our shareholders at an EGM to be convened; and	
iii.	any other relevant authorities and/ or parties, if required.	

The Proposed ESOS is not conditional upon the Proposed Rights Issue with Warrants, and vice versa.

The Proposals are not conditional upon any other proposal undertaken or to be undertaken by our Company.

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

### 9.1 Proposed Rights Issue with Warrants

None of our Directors, major shareholders, chief executive and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposed Rights Issue with Warrants, save for their respective entitlements under the Proposed Rights Issue with Warrants, to which all shareholders are similarly entitled.

### 9.2 Proposed ESOS

All Directors are eligible to participate in the Proposed ESOS, and are therefore deemed interested to the extent of their respective proposed allocation and the proposed allocations to persons connected to them under the Proposed ESOS. Notwithstanding that, all Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to shareholders for their consideration and approval.

All Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings. Our Directors who are deemed persons connected to Eligible Persons under the Proposed ESOS, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings.

All Directors will abstain from voting in respect of their direct and/ or indirect shareholdings, at the EGM in respect of the resolutions to be tabled for their respective proposed allocation as well as the proposed allocations to the persons connected to them, under the Proposed ESOS to be tabled at the EGM.

All Directors will undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to their respective proposed allocations, and the proposed allocations to the persons connected to them, to be tabled at the EGM.

The direct and indirect shareholdings of our Directors as at the LPD are as follows:-

Directors	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of OCK Shares	%	No. of OCK Shares	%
Mr Ooi	372,000	0.04	327,051,225 <sup>*1</sup>	34.12
Low Hock Keong	12,100,000	1.26	3,075,500 <sup>*2</sup>	0.32
Abdul Halim Bin Abdul Hamid	-	-	-	-
Chang Tan Chin	5,485,100	0.57	-	-
Chong Wai Yew	7,550,000	0.79	-	-
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-
YM Syed Hazrain Bin Syed Razlan Jamalullail	-	-	-	-
Dato' Mohd Som Bin Ibrahim	-	-	-	-

**Notes:-**

- \*1 *Deemed interested by virtue of his shareholding in AASB and Ooi Cheng Wah's, being Mr Ooi's brother, direct shareholdings in OCK*
- \*2 *Deemed interested by virtue of Hoh Moh Ying's, being Low Hock Keong's mother, direct shareholdings in OCK*

**10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, the Proposed Rights Issue with Warrants is expected to be completed by the first quarter of 2021. The Proposed ESOS is expected to be implemented by the fourth quarter of 2020. The tentative timetable in relation to the Proposed Rights Issue with Warrants is set out below:-

<b>Month</b>	<b>Events</b>
11 November 2020	<ul style="list-style-type: none"><li>• Convening of EGM to obtain approval for the Proposals</li></ul>
Mid November 2020	<ul style="list-style-type: none"><li>• Announcement on the price-fixing of issue price for Rights Shares and exercise price for Warrants B</li><li>• Announcement on the Entitlement Date for the Proposed Rights Issue with Warrants</li></ul>
Early December 2020	<ul style="list-style-type: none"><li>• Entitlement Date for the Proposed Rights Issue with Warrants</li><li>• Issuance of abridged prospectus in relation to the Proposed Rights Issue with Warrants</li></ul>
Mid December 2020	<ul style="list-style-type: none"><li>• Closing date of acceptance and applications for the Rights Shares with Warrants B</li></ul>
Early January 2021	<ul style="list-style-type: none"><li>• Listing of and quotation for the Rights Shares and Warrants B on the Main Market of Bursa Securities</li></ul>

**11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals (which are the subject matter of this Circular), our Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

**12. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, having considered all aspects of the Proposed Rights Issue with Warrants, including but not limited to the rationale for and effects of the Proposed Rights Issue with Warrants as well as the proposed utilisation of proceeds to be raised from the Proposed Rights Issue with Warrants, is of the opinion that the Proposed Rights Issue with Warrants is in the best interests of our Company. Accordingly, our Board recommend that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Rights Issue with Warrants at the forthcoming EGM.

Our Board, having considered all aspects of the Proposed ESOS, including the rationale and justification as well as the effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of our Company.

However, in view that all Directors are eligible to participate in the Proposed ESOS, our Directors have abstained and will continue to abstain from deliberating and forming any opinion on, and making any recommendations on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in OCK, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS at the EGM. Where the resolutions are not related to their respective allocations or to the persons connected to them, if any, our Directors, after having considered all aspects of the Proposed ESOS, are of the opinion that the Proposed ESOS is in the best interest of our Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed ESOS at the forthcoming EGM.

### **13. EGM**

The EGM, the notice of which is enclosed in this Circular, is scheduled to be conducted fully virtual at the Broadcast Venue, Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 11 November 2020 at 10.30 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to participate, speak and vote in person at the EGM, the completed and signed Form of Proxy must be deposited at OCK's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating, speaking and voting in person at the forthcoming EGM should you subsequently wish to do so.

### **14. FURTHER INFORMATION**

Shareholders are advised to refer to the appendices set out in this Circular for further information.

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

**DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN**  
Senior Independent Non-Executive Chairman

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## APPENDIX I – DRAFT BYLAWS

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### 1. DEFINITIONS AND INTERPRETATION

1.1. In these Bylaws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

"Act"	means Companies Act, 2016 of the laws of Malaysia
"Adviser"	means a corporate finance adviser that may act as a principal adviser under the Securities Commission's Principal Adviser Guidelines
"Authorised Nominee"	means a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository.
"Board"	means the board of directors of the Company.
"Bursa Depository"	means Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
"Bursa Securities"	means Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"Bylaws"	means, collectively the terms and conditions governing the ESOS as set forth in these Bylaws as amended, modified and/or supplemented from time to time
"CDS"	means the Central Depository System established, administered and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
"CDS Account"	means the account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Code"	means the Malaysian Code on Take-Overs and Mergers 2016
"Constitution"	means the Constitution of the Company as amended from time to time.
"Date of Offer"	means the date of the letter containing an Offer made to an Eligible Employee to participate in the ESOS by the ESOS Committee, irrespective of the date the Offer is actually received by the Eligible Person
"Disciplinary Proceedings"	means proceedings instituted by a Group Company against a Grantee employed by that Group Company for any alleged misbehavior, misconduct and/or any other act of the Grantee's deemed to be unacceptable by that Group Company in the course of that Grantee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Grantee

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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"Effective Date"		means the date on which the Scheme takes effect which shall be upon full compliance with the relevant requirements of the Listing Requirements, more particularly set out in Bylaw 17
"Eligible Person"		means any Employee or Director who is eligible to be selected to participate in the Scheme as set forth in Bylaw 2, and "Eligible Persons" means any two or more of them
"Employee"		means any person who is employed by any corporation within the Group
"ESOS"/ "Scheme"		means the employee share Option scheme for the grant of Options to the Eligible Person of the Group to subscribe for new Shares in the Company according to the terms set out herein
"Director"		means a director (who can either be an executive director or non-executive director) of the OCK Group, save for companies which are dormant on the Date of Offer, who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 2
"ESOS Committee"		means the committee duly appointed by the Board to administer the ESOS comprising Directors of OCK who are not participating in the ESOS
"Ex-Group Company"		means "Ex-Group Company" as defined in Bylaw 2.1
"Grantee"		means an Eligible Person who has accepted the Offer or any part thereof in accordance with the terms of the Bylaws hereof
"Group Company"		means any one of the Company and the Subsidiaries, and "Group Companies" means any two or more of them
"Listing Requirements"		means the Main Market Listing Requirements of Bursa Securities
"Market Day"		means a day on which the stock market of Bursa Securities is open for the trading in securities
"Maximum Allowable Allocation"		shall have the meaning ascribed to it in Bylaw 4
"Maximum Available"	Shares	shall have the meaning ascribed to it in Bylaw 3.1
"Non-Executive Director"		means a director who does not form part of the executive management team and who is not an employee of the Company but who is responsible to monitor the executive activity and contribute to the development of strategy of OCK or any company in the Group Company

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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"Notice/ Process"	shall have the meaning ascribed to it in Bylaw 29.1
"OCK" or the "Company"	means OCK Group Berhad [Registration No. 201101027780 (955915-M)] a public company limited by shares and incorporated in Malaysia and shall, where the context admits, include its successors in title
"OCK Group" or "Group Company" "Offer"	means, collectively, OCK and its subsidiaries
"Offer"	means a written offer made by the ESOS Committee to any Eligible Person in the manner indicated in Bylaw 5 hereof
"Option(s)"	means the right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance in the manner indicated in Bylaw 6 hereunder of any Offer made in accordance with these Bylaws, and where the context so requires, means any part of the Option as shall remain unexercised
"Option Period"	means the period commencing on the Date of Offer and expiring as referred to in Bylaw 17 or its termination in accordance with Bylaw 9 hereof, whichever is earlier, unless duly extended in accordance with Bylaw 17.2
"Option Price"	Means the price at which the Grantee shall be entitled to subscribe for each new Share as set out in Bylaw 8 hereof
"Persons Connected"	shall have the meaning ascribed to it in Paragraph 1.01 of the Listing Requirements
"Previous Company"	shall have the meaning ascribed to it in Bylaw 2.1
"RM" and "sen"	means Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
"Record of Depositors"	means a record of Depositors provided by the Bursa Depository to the Company pursuant to an application under Chapter 24.0 of the Rules of Bursa Depository
"Rules of Bursa Depository"	The rules of Bursa Depository, as issued pursuant to SICDA
"SICDA"	Securities Industries (Central Depository) Act, 1991
"Shares"	means the fully paid ordinary shares of RM0.10 each in the Company (unless otherwise adjusted) and "Share" means any one of them



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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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"Subsidiary means a subsidiary as defined in Section 4 of the Act which is not dormant, and include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Option Period unless determined by the ESOS Committee to fall outside the expression of "Subsidiary"

- 1.2. In these Bylaws, unless the context otherwise requires
- (a) any reference to a statutory provision or an applicable law shall include a reference to:
    - (i) any and all subsidiary legislation made from time to time under that provision or law;
    - (ii) that provision as from time to time modified or re-enacted, whether before or after the date of these Bylaws, so far as such modification or re-enactment applies or is capable of applying to any Offer made and/or accepted within the Option Period; and;
    - (iii) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
  - (b) any reference to a Bylaw is a reference to a Bylaw of these Bylaws;
  - (c) the headings to the provisions are for convenience only, and shall not be taken into account in the interpretation of these Bylaws;
  - (d) any word importing:
    - (i) the singular meaning includes the plural meaning and vice versa; and
    - (ii) the masculine gender includes the feminine gender and vice versa;
  - (e) any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these Bylaws:
    - (i) by the Board may be exercised in the Board's discretion and the Board shall not be under any obligation to give any reasons therefor;
    - (ii) by the ESOS Committee may be exercised in the ESOS Committee's discretion and the ESOS Committee shall not be under any obligation to give any reasons therefor, but subject always to the Board's power to overrule any decision of the ESOS Committee;
  - (f) if any event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the Option Period then the stipulated day shall be taken to be the last Market Day of the Scheme Period; and
  - (g) in the event of any change in the name of the Company from its present name, all references to "OCK Group Berhad" in these Bylaws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

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## APPENDIX I – DRAFT BYLAWS (CONT'D)

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- 1.3. This ESOS shall be known as the "OCK Group Berhad Employee Share Option Scheme"

### 2. ELIGIBILITY

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

- (a) Employees
- (i) is at least 18 years of age;
  - (ii) is employed full-time by and on the payroll of the Company and/or its subsidiaries, which are not dormant; and
  - (iii) has been in the employment of OCK and/or its subsidiaries, which are not dormant, for a period of at least six (6) months of continuous service prior to and up to the Date of Offer, including service during the probation period and falls within any other criteria that the ESOS Committee may from time to time determine at its discretion.
- (b) Executive/non-executive Director
- (i) is at least 18 years of age;
  - (ii) has been appointed as an executive / non-executive Director in OCK and/or its subsidiaries, which are not dormant, for a period of at least three (3) months; and
  - (iii) must have their entitlements under the ESOS approved by the shareholders of the Company in a general meeting.

- 2.2. The ESOS Committee shall have the discretion to extend (or not) the benefit of this Scheme to any employee in any of the following circumstances:

- (a) an employee who is in the employment of a corporation which is not a Group Company but which subsequently becomes a Group Company as a result of a restructuring, an acquisition, a merger, a disposal, a divestment from that corporation which is not a Group Company or other exercise involving the Company and/or any Group Company ("**Previous Company**");
- (b) an employee who was employed in a Previous Company and is subsequently transferred from that Previous Company to a Group Company; or
- (c) where:
- (i) a corporation that was a Group Company ceases to be a Group Company ("**Ex-Group Company**"); and
  - (ii) an employee of that Ex-Group Company is re-employed by another Group Company.

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## APPENDIX I – DRAFT BYLAWS (CONT'D)

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- 2.3. Eligibility under this Scheme does not confer on any Eligible Person any claim, right to participate in, or any other right whatsoever under this Scheme, and an Eligible Person does not acquire or have any right over, or in connection with the Options or the new Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 2.4. No Eligible Person shall participate at any time in more than one (1) ESOS implemented by any company within the OCK Group, unless the ESOS Committee otherwise determines in its discretion.
- 2.5. Without prejudice to the generality of the foregoing and subject to the ESOS Committee's discretion otherwise, any Option granted by the ESOS Committee shall become void, of no effect and cease to be capable of acceptance upon any of the following events occurring:
  - (a) the Grantee's death;
  - (b) the Grantee having received a letter of termination or ceasing to be an employee of any Group Company, for any reason whatsoever;
  - (c) the Grantee giving notice of his resignation from service or employment;
  - (d) the corporation which employs the Grantee ceasing to be a Group Company;
  - (e) the Grantee is subject to Disciplinary Proceedings; or
  - (f) the Grantee is adjudicated a bankrupt.

### 3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THIS SCHEME

- 3.1. Subject to Bylaw 12, the maximum number of Shares which may be made available under the Scheme and/or allotted and issued and/or acquired and/or transferred upon the vesting of Option Shares, shall not be more than in aggregate fifteen percent (15%) of the issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the existence of the Scheme.
- 3.2. In the event the total number of Shares made available under the Scheme exceeds the fifteen percent (15%) limit referred to in Bylaw 3.1 ("**Maximum Shares Available**") as a result of the Company purchasing or cancelling or reducing its own Shares in accordance with the provisions of the Act and/or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up ordinary share capital, such Options granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and may vest in accordance with the provisions of this Scheme as if that purchase or cancellation or reduction had not occurred.

However, no further Offer shall be made until such time that the number of Shares under the subsisting Options (including Shares that have been issued under the Scheme) falls below 15% of the issued and paid-up share of the Company.
- 3.3. The Company shall at all times during the Option Period ensure that the authorised and unissued share capital of the Company shall be sufficient to satisfy all outstanding Options, which may be exercised, in whole or in part during the Option Period

**4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT**

4.1. Subject to any adjustment which may be made under Bylaw 12 hereof, the aggregate maximum number of Shares that may be offered and allotted to an Eligible Person under the Scheme shall be at the discretion of the ESOS Committee, after taking into consideration, amongst other factors, the Eligible Person's employment grade, length of service, performance appraisal and past and future contributions of the Eligible Person and/or such other factors that the ESOS Committee may deem relevant, subject always to the following:

- (a) The Directors and senior management do not participate in the deliberation or discussion of their own allocation as well as allocation to persons connected with them, if any;
- (b) The allocation of Shares to an Eligible Person who, either singly or collectively through persons connected with him, holds 20% or more of the issued and paid-up capital (excluding treasury shares) of the Company, does not exceed 10% of the total number of shares to be issued under the Scheme.
- (c) In these Bylaws:

"senior management" shall be subject to criteria to be determined by the ESOS Committee that may change from time to time;

"persons connected" has the same meaning as that in paragraph 1.01 of the Listing Requirements.

A set of criteria on Eligible Person's eligibility and maximum share allocation shall be clearly specified and all Eligible Person shall be made aware of it through notification in writing or such other appropriate medium.

4.2. In circumstances where the maximum share allocation as provided in the Listing Requirements is amended by Bursa Securities from time to time, the ESOS Committee shall have the right to make the necessary adjustments in the Options that may be offered to any Eligible Person so as to comply with such amended Listing Requirements.

4.3. The number of Options offered to Eligible Persons and the new OCK Shares to be issued pursuant to the exercise of the Options shall be verified by the Company's external auditors as part of its annual audit exercise, which shall be disclosed in the Company's annual report.

4.4. The ESOS Committee has the discretion to determine whether the Options are subject to any vesting period and if so, the vesting conditions and whether such vesting conditions are subject to performance target. The ESOS Committee has the discretion to determine whether the Eligible Person is required to achieve any specific performance target(s) before he/ she may exercise the Options granted to him/ her. Any such performance target(s) if set, shall be stated in the offer letter to the Eligible Person.

**5. OFFER**

5.1. The ESOS Committee may at its absolute discretion as it shall deem fit at any time and from time to time within the duration of the Scheme make an Offer to any Eligible Person in accordance with the terms of the Scheme, PROVIDED ALWAYS THAT an Offer shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation and shall be in multiples of one hundred (100) Shares.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- 5.2. Unless otherwise stated, nothing herein shall prevent the ESOS Committee from making more than one Offer during the duration of the Scheme to any Eligible Person provided always that, the total aggregate number of new OCK Shares in respect of the Options granted shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 5.3. Each Offer shall state the number of new OCK Shares which the Eligible Person shall be entitled to subscribe, the Option Price, the Option Period and the closing date for acceptance of the Offer.
- 5.4. Each Offer shall be made in writing and is personal to the Eligible Employee and shall not be assigned transferred or otherwise disposed of in any manner whatsoever by the Eligible Person, save and except for as provided in Bylaw 9.4.
- 5.5. No Options shall be granted to any Director of the Company unless the specific grant of Options and the related allotment of new Shares to that Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.6. The Offer or any part thereof which has not been accepted shall automatically lapse and shall be null and void in the event of the Eligible Person shall cease to be a Director (in the case where an entitlement is made to an Eligible Director) or cease to be employed by the Group (in the case may be), or in the event he shall have passed away prior to the acceptance of such Offer.

**6. ACCEPTANCE OF OFFER**

- 6.1. The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the ESOS Committee on a case-to-case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the ESOS Committee in such form as may be prescribed by the ESOS Committee within the prescribed period. In the event that the Eligible Person fails to accept the Offer within the prescribed period, the Offer shall automatically lapse, and be null and void and of no further legal effect PROVIDED THAT the ESOS Committee shall not be precluded from making a new Offer to the Eligible Person subsequently.
- 6.2. Acceptance of the Offer by an Eligible Person shall be accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) for the acceptance of the Option.
- 6.3. If the Offer is not accepted in the manner aforesaid, such Offer shall upon the expiry of the aforesaid thirty (30) days or such other period as the ESOS Committee may prescribe, automatically lapse and shall be null and void and of no effect, and the Shares may, at the absolute discretion of the ESOS Committee, be re-offered to other Eligible Person.
- 6.4. Within thirty (30) days after the due acceptance of the Offer in accordance with the provision of these Bylaws, the ESOS Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the ESOS Committee.

**7. EXERCISE OF OPTIONS**

- 7.1. Subject to Bylaw 7.2 below, the Option can be exercised by the Grantee during normal business hours of the Company on any working day during the Option Period by notice in writing to the Company in such manner prescribed by the ESOS Committee or by the Bylaws, if any.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- 7.2. Subject to Bylaw 12 the ESOS Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of Shares and/or such percentage of the total Shares during the Option Period and impose any other terms and/conditions deemed appropriate by the ESOS Committee in its discretion including amending/varying any terms and conditions imposed earlier or any policies in force subject always that no modification which would adversely affect a Grantee's rights (as determined in the discretion of the ESOS Committee).
- The partial exercise of an Option shall not preclude the Grantee from exercising the Option for the remaining duration of the Option Period in respect of the balance of the new OCK Shares comprised in the Option.
- 7.3. The Option may be exercised in respect of such lesser number of new Shares as the Grantee may decide to exercise provided that the number shall be in multiples of and not less than one hundred (100) Shares. Such partial exercise of the Option shall not preclude the Grantee from exercising the Option as to the balance thereof at any time in the future but within the Option Period.
- 7.4. Every Written Notice of Exercise must be in the form prescribed by the ESOS Committee from time to time and shall be accompanied by a remittance for the full amount of the subscription monies for the new Shares in respect of which the notice is given. Upon full remittance from the Grantee, the Company shall allot and issue the relevant number of new Shares, dispatch notices of allotment to the Grantee accordingly, and make an application for the quotation of such new Shares on Bursa Securities, subject to the provisions in the Constitution of the Company.
- 7.5. Any new OCK Shares comprised in an Option not subscribed for in any year following the Date of Offer, may be subscribed for in any subsequent year until and including the last year of the Option Period.
- 7.6. A Grantee who exercises his Option shall provide the ESOS Committee with his CDS account number or the CDS account number of his Authorised Nominee, as the case may be, in the notice referred to in Bylaw 7.1. The new OCK Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Grantee or his Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and dispatched to the Grantee or the Grantee's Authorised Nominee with a copy to the Grantee, as the case may be, within eight (8) Market Days or such other period as may be prescribed by Bursa Securities, from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance of subscription monies. No physical share certificate(s) will be issued.
- 7.7. An Option shall become null and void upon the expiry of the Option Period applicable thereto.
- 7.8. All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the ESOS Committee PROVIDED THAT the extended Option Period shall not in any event exceed maximum period prescribed by law.
- 7.9. Notwithstanding anything to the contrary herein contained in these Bylaws, the ESOS Committee shall have the right at its discretion by notice in writing to that effect, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings to exercise his Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate in its discretion, on the right of exercise of his Option having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS THAT:

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (a) In the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the right of such Grantee to exercise his Option;
  - (b) In the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; and
  - (c) In the event such Grantee is found guilty but not dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such terms and conditions as it deems appropriate, on such exercise.
- 7.10. Notwithstanding the provisions of Bylaws 7.4 and 7.6, the ESOS Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new OCK Shares within the stipulated deadline or in procuring Bursa Securities to list and quote the OCK Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options of for any errors in any Offers.
- 7.11. Subject to the discretion of the ESOS Committee, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in Bylaws 7.1 to 7.9 herein will invalidate the purported exercise of such Option by a Grantee.
- 7.12. Every Options shall be subject to the condition that no new OCK Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

**8. OPTION PRICE**

- 8.1. The Option Price at which a Grantee is entitled to subscribe for each new OCK Shares shall be the higher of:
- (a) the weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with an allowance for a discount at the ESOS Committee's discretion, of not more than ten per centum (10%) therefrom or such higher limit as may be permitted from time to time by Bursa Securities and any other relevant authorities;
- 8.2. The Option Price shall be stipulated on each certificate of Option.
- 8.3. The Option Price shall be subjected to adjustments in accordance with Bylaw 12 herein.

**9. TERMINATION OF THE OPTIONS**

- 9.1. All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:
- (a) subject to Bylaws 9.2 to 9.4, the Grantee ceasing to be in employment or appointment with a member of the OCK Group; or

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## APPENDIX I – DRAFT BYLAWS (CONT'D)

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- (b) the liquidation of the Company; or
  - (c) the bankruptcy of the Grantee.
- 9.2. Notwithstanding the provisions of Bylaw 9.1(a), the ESOS Committee may at its discretion allow a Grantee to exercise his unexercised Options within the relevant Option Period or such other shorter period as the ESOS Committee may at its discretion determine when the Grantee ceases his employment or appointment with the Group by reason of:
- (a) retirement on attaining the retirement age under the Group's retirement policy;
  - (b) retirement before attaining the normal retirement age but with the consent of the Company;
  - (c) ill-health, injury, physical or mental disability;
  - (d) redundancy or retrenchment, or pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Company; or
  - (e) resignation under circumstances which are acceptable to the ESOS Committee; or
  - (f) any other circumstances which are acceptable to the ESOS Committee.
- 9.3. Upon the Grantee giving notice of his resignation from employment with the Group, an Option shall lapse on the last day of the Grantee's service with the Company within the Group and the Shares comprised in such Option or the balance thereof not subscribed for may, at the discretion of the ESOS Committee, be re-offered to other Eligible Person.
- 9.4. In the event of the demise of a Grantee before the expiration of the Option Period and on the date of his demise, the Grantee held Options which are unexercised, the whole or any part of the unexercised Options shall lapse forthwith and be null and void and of no further force and effect provided however the ESOS Committee may at its discretion allow the next of kin or beneficiary or legal representatives of the deceased Grantee in question to exercise the deceased's unexercised Options, in whole or in part, within the relevant Option Period or such other shorter period as the ESOS Committee may at its discretion determine.
- 9.5. Upon the bankruptcy of a Grantee, any and all unexercised portion of the Options shall immediately become null and void and of no further effect as if the same had never been granted in the first place.

## 10. TAKEOVER

- 10.1. Notwithstanding Bylaw 7 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:
- (a) a takeover offer being made for the Company through a general offer under the Code to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer) ("**Offeror**") or any persons acting in concert with the Offeror) a Grantee will be entitled, within such period to be determined by the ESOS Committee, to exercise all or any part of his Options as yet unexercised; and



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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of OCK Shares under the provisions of any applicable statutes, rules, and/or regulations and gives notices to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option as yet unexercised from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised

**11. RETENTION PERIOD**

- 11.1. The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the OCK Shares as it deems fit. The Grantees are encouraged to hold the OCK Shares as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.
- 11.2. Notwithstanding the above, a non-executive director must not sell, transfer or assign OCK Shares obtained through the exercise of ESOS Options within one (1) year from the Date of Offer.

**12. ALTERATION IN SHARE CAPITAL AND ADJUSTMENT**

- 12.1. In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of a capitalization of profits or reserves, rights issues, bonus issues, capital reduction, capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made in:
  - (a) the Option Price; and/or
  - (b) the number of new OCK Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option.
- 12.2. The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 12.1:
  - (a) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a Grantee's entitlement to subscribe for OCK Shares, any fractional entitlements will be disregarded.
- 12.3. Bylaw 12.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
  - (a) An issue of Shares pursuant to the exercise of Options under the Scheme;
  - (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
  - (c) An issue of securities as a private placement or restricted issue; or
  - (d) An issue of securities as a special issue approved by the relevant governmental authorities; or

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (e) An issue of securities convertible to Shares arising from the exercise of any conversion rights attached to securities convertible to Shares or upon exercise of any other rights including warrants (if any) issued by OCK;
  - (f) A purchase by the Company of its own Shares pursuant to Section 127 of the Act. In this event, the following provisions shall apply:
    - (i) If the number of Shares comprised in the Options granted by the Company as at the date of cancellation of Shares so purchased is greater than 15% of the issued capital of the Company after such cancellation, the ESOS Committee shall not make any further Offers; and
    - (ii) If the number of Shares comprised in the Options granted by the Company as at the date of cancellation of Shares so purchased is less than 15% of the issued capital of the Company after such cancellation, the ESOS Committee may make further Offers only until the total number of Shares comprised in the Options granted by the Company is equivalent to 15% of the issued capital of the Company after such cancellation;
- 12.4. An adjustment pursuant to Bylaw 12.1 shall be made at the following times in accordance with the formulas as set out in the First Schedule attached to these Bylaws and on the day immediately following the books closure date for the event giving rise to the adjustment:
- (a) In the case of a rights issue, bonus issue or other capitalization issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
  - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the Market Day immediately following the date of allotment of new Shares of the Company in respect of such consolidation, subdivision or reduction.
- 12.5. All adjustments other than adjustments made pursuant to a bonus issue must be confirmed in writing by the approved Company auditors or an Adviser identified by the ESOS Committee to be in their opinion (acting as experts and not as arbitrators) fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from the external auditors or Adviser (as the case may be) to the effect that in the opinion of such external auditors or Adviser (as the case may be), acting as an expert and not as an arbitrator, the adjustment is fair and reasonable either generally or as regards such Grantee, and such certification shall be final and binding on all parties. For the purpose of the Bylaw, the external auditors of the Company shall have the meaning given in Section 263 of the Act.
- 12.6. The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in Bylaw 12.7.
- 12.7. In addition to Bylaw 12.1 and not in derogation thereof, the Option Price and the number of new Shares relating to the Options so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the Adviser and/or the auditors:

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (a) If and whenever the Company shall make any issue of OCK Shares to ordinary shareholders credited as fully paid -up, by way of capitalization of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B}$$

and the additional number of New Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = \left( \frac{A+B}{A} \times T \right) - T$$

Where

A = The aggregate number of issued and paid-up OCK Shares immediately before such capitalization issue

B = The aggregate number of OCK Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid-up by way of capitalization of profit or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund)

T = As T above

Such adjustment will be effective from the commencement of Market Day immediately following the books closure date for such issue.

- (b) If and whenever the Company shall make:
- (i) A Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
  - (ii) Any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for OCK Shares by way of rights; or
  - (iii) Any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into OCK Shares or securities with rights to acquire or subscribe for OCK Shares,

Then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C-D}{C}$$

And in respect of each such case referred to in Bylaw 12.7(c)(ii) hereof, the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = \left( \frac{C}{C-D} \times T \right) - T$$

T = As T above

C = The current market price of each OCK Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation

D = (i) In the case of an offer or invitation to acquire or subscribe for OCK Shares under Bylaw 12.7(c)(ii) above or for securities convertible into or with rights to acquire or subscribe for OCK Shares under Bylaw 12.7(c)(iii) above, the value of rights attributable to 1 OCK Share (as defined below); or

(ii) In the case of any other transaction falling within Bylaw 12.7 hereof, the fair market value as determined (with the concurrence of the auditor) by the Adviser of that portion of the capital distribution attributable to 1 OCK Share.

For the purpose of definition (i) of D above, the "value of rights attributable to 1 OCK Share" shall be calculated in accordance with the formula:

$$\frac{C-E}{F+1}$$

C = As C above

E = The subscription price for one (1) additional OCK Share under the terms of such offer or invitation or subscription price for one (1) additional OCK Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) OCK Share under the offer or invitation

F = The number of OCK Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional OCK Shares or security convertible into OCK Shares or rights to acquire or subscribe for one (1) OCK Shares

For the purpose of Bylaw 12.7(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distribution in cash or specie or by way of issue of OCK Shares (not falling under Bylaw 12.7(b) hereof) or other securities credited as fully or partly paid-up by way of capitalization of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated financial statements of the Company.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

- (c) If and whenever the Company makes any allotment to its ordinary shareholders as provided in Bylaw 12.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in Bylaws 12.7(c)(ii) or 12.7(c)(iii) above and the record date for the purpose of the allotment is also the books closure date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G+H+B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in Bylaw 12.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in Bylaw 12.7(c)(ii) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = \left( T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where

B = As B above

C = As C above

G = The aggregate number of issued and fully paid-up OCK shares on the books closure date

H = The aggregate number of new OCK Shares under an offer or invitation to acquire or subscribe for OCK Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into OCK Shares as the case may be

H\* = The aggregate number of new OCK Shares under an offer or invitation to acquire or subscribe for OCK Shares by way of rights

I = The subscription price of 1 additional OCK Share under the offer or invitation to acquire or subscribe for OCK Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional OCK Shares, as the case may be

I\* = The subscription price of 1 additional OCK Share under the offer or invitation to acquire or subscribe for OCK Shares

T = As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (d) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for OCK Shares as provided in Bylaw 12.7(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Bylaw 12.7(c)(iii) above, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G+H+J) \times C}$$

And the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = \left( T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

- C = As C above
- G = As G above
- H = As H above
- H\* = As H\*above
- I = As I above
- I\* = As I\* above
- J = The aggregate number of OCK Shares to be issued to its ordinary shareholder upon conversion of such securities or exercise of such rights to subscribe for OCK Shares by the ordinary shareholders.
- K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional OCK Share; and
- T = As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

- (e) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaws 12.7(b) above and also makes an offer or invitation to acquire or subscribe for OCK Shares to its ordinary shareholders as provided in Bylaws 12.7(c)(ii) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for OCK Shares as provided in Bylaws 12.7(c)(iii) above, and the books closure date for the purpose of the allotment is also the books closure date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G+H+J+ B) \times C}$$

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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And the number of additional new Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = \left( T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

B	=	As B above
C	=	As C above
G	=	As G above
H	=	As H above
H*	=	As H* above
I	=	As I above
I*	=	As I* above
J	=	As J above
T	=	As T above

Such adjustment will be effective from the commencement of the Market Day immediately following the books closure date for such issue.

- (f) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under Bylaws 12.7(c)(ii), 12.7(c)(iii), 12.7(d), 12.7(e) and 12.7(f) above, the Company shall issue either any OCK Shares or any securities convertible into OCK Shares or any rights to acquire or subscribe for OCK Shares, and in any such case, the Total Effective Consideration per OCK Share (as defined below) is less than 90% of the Average Price for 1 OCK Share (as defined below) or, as the case may be, the price at which the OCK Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L-M}{L+N}$$

Where

- |     |   |
|-----|---|
| L = | The number of OCK Shares in issue at the close of business on the Market Day immediately preceding the date on which relevant adjustment becomes effective  |
| M = | The number of OCK Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses)  |
| N = | The aggregate number of OCK Shares so issued or, in the case of securities convertible into OCK Shares or rights to acquire or subscribe for OCK Shares, the maximum number (assuming no adjustment of such rights) of OCK Shares issuable upon full conversion of such securities or the exercise in full of such rights |

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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For the purpose of Bylaw 12.7(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of the Adviser and shall be:

- (i) In the case of the issue of OCK Shares, the aggregate consideration receivable by the Company on payment in full for such OCK Shares; or
- (ii) In the case of the issue by the Company of securities wholly or partly convertible into OCK Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) In the case of the issue by the Company of securities with rights to acquire or subscribe for OCK Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

In each case without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Considerations per OCK Share" shall be the Total Effective Consideration divided by the number of OCK Shares issued as aforesaid or, in the case of securities convertible into OCK Shares or securities with rights to acquire or subscribe for OCK Shares, by the maximum number of OCK Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of Bylaw 12.7(g), the "Average Price" of an OCK Share shall be the average price of one (1) OCK Share as derived from the last dealt prices for one or more board lots of OCK Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such OCK Shares is determined.

Such adjustment will be calculated from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or on the Market Day immediately following the date on which the Company determines the offer price of such OCK Shares. Such adjustment will be effective from the commencement of the Market Day immediately following the completion of such issue.

- 12.8. The provisions of this Bylaw shall not apply where the alteration in the capital structure of the Company arises from:
- (a) The issue of securities as consideration for an acquisition;
  - (b) A special issue of new OCK Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
  - (c) A private placement or restricted issue of new OCK Shares by the Company;
  - (d) A share buy-back arrangement by the Company pursuant to Section 127 of the Act;



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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- (e) An issue of new OCK Shares arising from the exercise of any conversion rights attached to securities convertible to new OCK Shares or upon exercise of any other rights including warrants (if any) issued by the Company; and
  - (f) An issue of new OCK Shares upon the exercise of Options pursuant to the Scheme.
- 12.9. Upon any adjustment being made, the ESOS Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

**13. QUOTATION OF NEW SHARES**

- 13.1. The new OCK Shares arising from the exercise of Options will not be listed or quoted on the Bursa Securities, and/or any other relevant stock exchanges until the Option is exercised in accordance with Bylaw 7 hereof whereupon the Company shall within eight (8) Market Days or such other period as may be prescribed by Bursa Securities from the date of receipt of notice referred to in Bylaw 7.1 and the remittance for the full amount of the subscription monies for the new OCK Shares referred to in Bylaw 7.4, make the necessary application to the Bursa Securities for the listing and quotation for such new OCK Shares and use its best endeavors to obtain such approval unless a blanket approval for the listing of and quotation for the new OCK Shares arising from the Scheme has been obtained.
- 13.2. The ESOS Committee, the Company and the officers and agents of the Company, shall not under any circumstances be held liable for any costs, expenses, charges and damages whatsoever and howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new OCK shares or in procuring Bursa Securities to list and quote the new OCK Shares.

**14. RANKING OF NEW OCK SHARES**

- 14.1. The OCK Shares to be issued and/or transferred via treasury shares upon the exercise of the ESOS Options, shall upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that such OCK Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such OCK Shares."

**15. ADMINISTRATION**

- 15.1. This Scheme shall, subject to these Bylaws, be implemented and administered by the ESOS Committee in such manner as it shall, in its discretion, think fit, in the best interest of the Company. The ESOS Committee shall comprise such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the ESOS Committee, including its duties, powers and limitations.
- 15.2. Without limiting the generality of Bylaw 15, the ESOS Committee may for the purpose of administering this Scheme, do all acts and things and enter into any transaction, agreement, deed, document, arrangement or undertaking, and make such rules and regulations, or impose terms and conditions or delegate part of its power relating to the administration of the Scheme as the ESOS Committee in its discretion deems fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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- 15.3. The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee;
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these Bylaws; and
  - (c) amend, modify or vary the terms of reference of the ESOS Committee.

**16. MODIFICATION AND/OR AMENDMENT OF THESE BYLAWS**

- 16.1. Subject to the compliance with the requirements of Bursa Securities and any other relevant regulatory authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its discretion think fit and the Board shall have the power by resolution to amend and/or modify all or any part of these Bylaws PROVIDED ALWAYS THAT no additions or amendments to or deletions of these Bylaws shall be made which will:-
- (a) Prejudice any rights then accrued to any Grantee who has accepted an Option without prior consent and sanction of that Grantee;
  - (b) Prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
  - (c) Alter to the advantage of any Eligible Person(s) the provision of the Scheme, without the prior approval of the shareholders of the Company in a general meeting unless otherwise allowed by the provisions of the Listing Requirements.
- 16.2. Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to the Bursa Securities a letter confirming that the said amendment and/or modification does not contravene any of the provisions of the Listing Requirement on ESOS no later than five (5) Market Days from the effective date of the said amendments and/or modifications.
- 16.3. The Grantees shall be given written notices in the term prescribed by the ESOS Committee from time to time if any amendments to and/or modification of these Bylaws within five (5) Market Days if any of the foregoing taking effect.

**17. DURATION OF THE SCHEME**

- 17.1. This Scheme shall take effect on the Effective Date from the implementation of the Scheme and shall be in force for a period of five (5) years provided that the following conditions have been fulfilled:
- (a) Submission of the final copy of these Bylaws to Bursa Securities;
  - (b) Receipt of approval-in-principle for the listing of the new OCK Shares to be issued under the Scheme from Bursa Securities;
  - (c) Procurement of shareholder's approval for the scheme;
  - (d) has obtained other relevant approvals for the ESOS and has fulfilled any conditions therein;

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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(e) fulfillment of any conditions attached to the above approvals, if any.

17.2. Upon the expiry of the Scheme, The ESOS Committee shall have the absolute discretion, without approval of the Company's shareholders, to extend the duration of the Scheme for up to another five (5) years immediately from the expiry of the first five (5) years PROVIDED THAT any extension of the Scheme shall be for a maximum duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESOS Committee shall furnish a written notification to all Grantees who have yet to exercise their Options, either in part or in whole and the Company shall make the necessary announcements prior to the proposed extension of the Scheme.

**18. TERMINATION OF THE SCHEME**

18.1. Notwithstanding the provisions of Bylaw 16.2, the Company may at any time during the duration of the Scheme through a resolution by the Board terminate the Scheme without further sanctions, approvals and/or authorisations (unless otherwise required by the relevant authorities or the Listing Requirements) and shall immediately announce to Bursa Securities all of the following:

- (a) the effective date of termination;
- (b) the number of options exercised or shares vested; and
- (c) the reasons for termination.

**19. COSTS AND EXPENSES OF THE PLAN**

19.1. All administrative costs and expenses incurred by the Company in relation to this Scheme shall be borne by the Company.

**20. NO COMPENSATION**

20.1. All Employees (including but not limited to Eligible Person or Grantee) who cease to hold office or employment or their executors or administrators, shall not be entitled to any compensation for the loss of any right or benefit, or prospective right or benefit, under this Scheme which they might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful dismissal, other breach of contract or by way of compensation for loss of office.

20.2. All Employees (including but not limited to Eligible Person or Grantee) or their executors or administrators, shall not be entitled to bring any claim, action or proceeding against the Company, the Board, the ESOS Committee or any other party for any compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provision of the Clauses herein, as may be amended from time to time.

**21. TAXES**

21.1. Any taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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**22. DISPUTE**

- 22.1. In the event of a dispute between the Board and/or the ESOS Committee, and an employee of any Group Company as to any matter or thing of any nature arising hereunder, the Board or the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason for the same) given to the employee of any Group Company. The said decision of the Board or the ESOS Committee (as the case may be) shall be final and binding on the parties.

**23. INSPECTION OF AUDITED ACCOUNTS**

- 23.1. All Grantees shall be entitled to inspect a copy of the latest audited accounts of the Company during normal office hours on any working day at the Registered Office of the Company.

**24. DIVESTMENT OF SUBSIDIARIES**

- 24.1. If a Grantee is in the employment of a company which ceases to be a Group Company due to a subsequent disposal or divestment (in whole or in part) from the Group, such Grantee:
- (a) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a particular time frame determined within the Option Period at the discretion of the ESOS Committee, failing which such Options together with all other Options, the exercise of which is not due, shall automatically lapse and be null and void and of no further effect; and
  - (b) shall not be eligible to participate for further Options under the Scheme.

**25. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

- 25.1. In the event of any application being made to the court for sanction of a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and/or arrangement and reconstruction of the Company under section 366 of the Act, or its amalgamation with any other company or companies under section 370 of the Act, the ESOS Committee may at its discretion determine that a Grantee may be entitled to exercise all or any part of his Option at any time commencing from the date upon which the application is so made to the court and ending on the date immediately prior to the date on which the scheme of arrangement and/or arrangement and reconstruction of the Company or amalgamation is approved (or on any other date specified by the ESOS Committee in its discretion) PROVIDED ALWAYS THAT any part of an Option which remains unexercised after the expiry of the period stipulated above shall be automatically terminated thereafter.

**26. THE CONSTITUTION OF THE COMPANY**

- 26.1. Notwithstanding the terms and conditions contained in these Bylaws, if a situation of conflict should arise between these Bylaws and the Constitution, the provisions of the Constitution shall prevail at all times.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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**27. SCHEME NOT A TERM OF EMPLOYMENT**

27.1. This Scheme shall not form part of, constitute or in any way be construed as any term or condition of employment of any employee within the Group. This Scheme shall not confer or be construed to confer on any employee within the Group any special right or privilege over and above the employee's terms and conditions of employment under which the employee is employed nor any rights in addition to compensation or damages that the employee may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

**28. DISCLAIMER OF LIABILITY**

28.1. Notwithstanding anything to the contrary, the Board, the ESOS Committee and/or the Company including any Group Company and its directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising or incurred or suffered in any event in respect of this Scheme, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Bursa Securities.

**29. NOTICE**

29.1. Any legal notice/process under the Scheme ("**Notice/Process**") required to be given to or served upon an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to this last known address. Any Notice/Process served by hand, by facsimile by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

29.2. Any Notice/Process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESOS Committee may have stipulated for this purpose). Any Notice/Process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.

**30. SEVERABILITY**

30.1. Any term, condition, stipulation, and/or provision in these Bylaws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability, but the same shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and/or provision contained in these Bylaws.

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**APPENDIX I – DRAFT BYLAWS (CONT'D)**

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**31. GOVERNING LAW**

31.1. The Scheme and these Bylaws shall be governed by and construed in accordance with Malaysian law and the Grantee, by accepting the Option in accordance with these Bylaws and terms of the Scheme and the Constitution of the Company, irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

**32. DECISION OF THE BOARD AND/OR THE ESOS COMMITTEE**

32.1. Any decision and/or determination made by the Board and/or the ESOS Committee under these Bylaws shall be final and binding on all parties.

**33. DELAY IN PERFORMANCE**

33.1. The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond reasonable control of the Company or the ESOS Committee.

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## APPENDIX II – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

### 2. CONSENT

UOBKH, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

### 3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given their written confirmation that there are no situations of conflict of interests that exist or is likely to exist in relation to its role as the Adviser to OCK for the Proposals.

### 4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

### 5. MATERIAL COMMITMENTS

Save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

<b>Capital commitments of our Group as at the LPD</b>		<b>RM'million</b>
In respect of capital expenditure:-		
i.	Approved and contracted for	82.00
ii.	Approved but not contracted for	120.58

### 6. CONTINGENT LIABILITIES

Save as disclosed below, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

<b>Contingent liabilities of our Group as at the LPD</b>		<b>RM'million</b>
	Corporate guarantee to licensed banks for facilities granted to subsidiaries	486.93

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**APPENDIX II – FURTHER INFORMATION (CONT'D)**

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**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of OCK at at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. Constitution of OCK;
- ii. Audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 December 2019 and the latest unaudited quarterly results for the 6-month FPE 30 June 2020;
- iii. The letter of consent and declaration of conflict of interests referred to in Sections 2 and 3 above, respectively;
- iv. The Deed Poll A and draft Deed Poll B; and
- v. The draft Bylaws.

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**OCK GROUP BERHAD**

[Registration No. 201101027780 (955915-M)]  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of OCK Group Berhad ("**OCK**" or the "**Company**") is scheduled to be conducted fully virtual at the Broadcast Venue, Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 11 November 2020 at 10.30 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:-

**ORDINARY RESOLUTION 1**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 122,264,591 NEW ORDINARY SHARES IN OCK ("OCK SHARE(S)") ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 10 EXISTING OCK SHARES HELD, TOGETHER WITH UP TO 122,264,591 FREE DETACHABLE WARRANTS IN OCK ("WARRANT(S) B") ON THE BASIS OF 1 WARRANT B FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

**"THAT**, subject to the approvals of all relevant authorities and/or parties (if required) being obtained, where required, approval be and is hereby given to the Board of Directors of OCK ("**Board**") for the following:-

- i. to provisionally allot and issue by way of a renounceable rights issue of up to 122,264,591 Rights Shares together with up to 122,264,591 Warrants B to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board, on the basis of 1 Rights Share for every 10 existing OCK Shares held;
- ii. to issue such Rights Shares together with Warrants B as may be required to give effect to the Proposed Rights Issue with Warrants, including any persons entitled on renunciation of the provisional allotments;
- iii. to determine the final issue price of the Rights Shares and the final exercise price of the Warrants B after taking into consideration the basis and justification for determining such prices, as set out in the circular to the shareholders dated 26 October 2020 ("**Circular**");
- iv. wherein each of the Warrant B will carry the right to subscribe, subject to any adjustment in accordance with the deed poll constituting the Warrants B ("**Deed Poll B**"), at any time during the exercise period, for 1 new OCK Share at an exercise price to be determined and fixed at a later date by the Board;
- v. to allot and issue such number of new OCK Shares arising from the exercise of the Warrants B, from time to time during the tenure of the Warrants B, in accordance with the provisions of the Deed Poll B;
- vi. to allot and issue such further Warrants B and new OCK Shares arising from the exercise of such further Warrants B as a consequence of any adjustment in accordance with the provisions of the Deed Poll B and/ or as may be required by the relevant authorities; and
- vii. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new OCK Shares which may from time to time be allotted and issued arising from the exercise of the Warrants B.

**THAT** any Rights Shares together with Warrants B which are not taken up or validly taken up shall be made available for excess applications to the entitled shareholders and/ or their renounee(s) who have applied for the excess Rights Shares with Warrants B, and are intended to be allocated on a fair and equitable basis;

**THAT** any fractional entitlements of the Rights Shares together with Warrants B arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its sole and absolute discretion deems fit and expedient, and is in the best interests of the Company;

**THAT** the proceeds of the Proposed Rights Issue with Warrants be utilised as set out in the Circular, and the Board be and is hereby authorised with full power to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board, may at its absolute discretion, deem fit, necessary, expedient and/or in the best interest of the Company, subject to the approval of the relevant authorities, where required;

**THAT** the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

**THAT** the new OCK Shares arising from the exercise of the Warrants B shall, upon allotment and issuance, rank equally in all respects with the existing OCK Shares, save and except that the new OCK Shares arising from the exercise of the Warrants B shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the said new OCK Shares;

**THAT** the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll B with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Directors of the Company, and with full powers to implement and give effect to the terms and conditions of the Deed Poll B;

**THAT** the Board be and is hereby authorised to sign and execute all documents, enter into any arrangements, agreements and/ or undertakings with any party or parties, do all things as may be required to give effect to the Proposed Rights Issue with Warrants with full powers to assent to any conditions, variations, modifications and/ or amendments including to vary the manner and/ or the purpose of the utilisation of proceeds arising from the Proposed Rights Issue with Warrants, if necessary, in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares together with Warrants B to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

## **ORDINARY RESOLUTION 2**

### **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED OCK SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS FOR ELIGIBLE PERSONS ("PROPOSED ESOS")**

**"THAT** subject to the approvals of all relevant regulatory authorities and/ or parties being obtained, including the approval of Bursa Securities for the listing of and quotation for the new OCK Shares to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board to:-

- i. establish, implement and administer the Proposed ESOS in accordance with the bylaws of the Proposed ESOS ("**Bylaws**"), a draft of which is set out in Appendix II of the Circular, to approve and adopt the Bylaws and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by the relevant authorities;

- ii. make the necessary applications and do all things necessary at the appropriate time or times to Bursa Securities for the listing of and quotation for the new OCK Shares, which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- iii. issue and/ or transfer via treasury shares such number of OCK Shares from time to time as may be required arising from the exercise of the ESOS Options, **PROVIDED THAT** the total number of OCK Shares, which may be made available under the Proposed ESOS, shall not in aggregate exceed 15% of the total number of issued OCK Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS **AND THAT** the OCK Shares to be issued and/ or transferred via treasury shares upon the exercise of the ESOS Options, shall upon allotment and issuance or transfer and full payment, rank equally in all respects with the existing OCK Shares, save and except that such OCK Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such OCK Shares;
- iv. modify and/ or amend the Proposed ESOS and/ or the Bylaws from time to time provided that such modifications and/ or amendments are permitted and effected in accordance with the provisions of the Bylaws relating to modifications and/ or amendments; and
- v. do all such acts and things, take such steps, execute all such documents and enter into all such arrangements, agreements, deeds and/ or undertakings with any party(ies) as they may deem fit, necessary, expedient and/ or appropriate in order to finalise, implement and/ or give full effect to the Proposed ESOS and terms of the Bylaws with full power to assent to any terms, conditions, modifications, variations and/ or amendments as may be agreed to or required by any relevant authorities or as a consequence of any such requirement as may be deemed necessary and/ or expedient and in the best interest of the Company."

## ORDINARY RESOLUTIONS 3 TO 11

### PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF OCK

**"THAT**, subject to the passing of the Ordinary Resolution 2 and the approvals of the relevant authorities for the Proposed ESOS, including the approval from Bursa Securities for the listing of and quotation for OCK Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed ESOS, to offer and grant to the following Directors, ESOS Options to subscribe for OCK Shares under the Proposed ESOS:-

i.	Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	Ordinary Resolution 3
ii.	Abdul Halim Bin Abdul Hamid	Ordinary Resolution 4
iii.	Ooi Chin Khoon	Ordinary Resolution 5
iv.	Low Hock Keong	Ordinary Resolution 6
v.	Chang Tan Chin	Ordinary Resolution 7
vi.	Chong Wai Yew	Ordinary Resolution 8
vii.	Mahathir Bin Mahzan	Ordinary Resolution 9
viii.	YM Syed Hazrain Bin Syed Razlan Jamalullail	Ordinary Resolution 10
ix.	Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	Ordinary Resolution 11

Provided always that:-

- i. he/ she must not participate in the deliberation or discussion of his/ her own allocation or allocations to person(s) connected to him/ her;
- ii. the allocation to him/ her, who either singly or collectively, through person(s) connected to him/ her, holds 20% or more of the total number of issued OCK Shares (excluding treasury shares), must not exceed 10% of the total number of OCK Shares to be made available under the Proposed ESOS; and
- iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the Bylaws, the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time.

**AND THAT** the Board is also authorised to issue and/ or transfer via treasury shares the corresponding number of OCK Shares arising from the exercise of the ESOS Options that may be granted to him/ her under the Proposed ESOS."

**By Order of the Board**

**WONG YOUN KIM (MAICSA 7018778)**

Company Secretary

Kuala Lumpur

26 October 2020

**Notes:-**

1. *A member of the Company shall not be entitled to appoint more than two (2) proxies to participate, speak and vote at the same meeting and where the member appoints two (2) proxies to participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/ her holdings to be represented by each proxy.*
2. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.*
3. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
4. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 November 2020 (General Meeting Record of Depositors) shall be eligible to participate in the meeting or appoint proxy(ies) to participate and/or vote on his/her behalf.*



**OCK GROUP BERHAD**

[Registration No. 201101027780 (955915-M)]  
(Incorporated in Malaysia)

**FORM OF PROXY**

I/We, \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member(s) of OCK GROUP BERHAD, hereby appoint \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/ her, \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting as \*my/our proxy(ies) to vote for \*me/us on \*my/our behalf at the extraordinary general meeting of OCK Group Berhad ("**Company**") which is scheduled to be conducted fully virtual at the Broadcast Venue, Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 11 November 2020 at 10.30 a.m., or at any adjournment thereof and to vote as indicated below:

*(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)*

ORDINARY RESOLUTION		FOR	AGAINST
1.	PROPOSED RIGHTS ISSUE WITH WARRANTS		
2.	PROPOSED ESOS		
3.	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN		
4.	PROPOSED ALLOCATION OF ESOS OPTIONS TO ABDUL HALIM BIN ABDUL HAMID		
5.	PROPOSED ALLOCATION OF ESOS OPTIONS TO OOI CHIN KHOON		
6.	PROPOSED ALLOCATION OF ESOS OPTIONS TO LOW HOCK KEONG		
7.	PROPOSED ALLOCATION OF ESOS OPTIONS TO CHANG TAN CHIN		
8.	PROPOSED ALLOCATION OF ESOS OPTIONS TO CHONG WAI YEW		
9.	PROPOSED ALLOCATION OF ESOS OPTIONS TO MAHATHIR BIN MAHZAN		
10.	PROPOSED ALLOCATION OF ESOS OPTIONS TO YM SYED HAZRAIN BIN SYED RAZLAN JAMALULLAIL		
11.	PROPOSED ALLOCATION OF ESOS OPTIONS TO REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020

No. Of Shares Held	
CDS Account No.	
Tel No. (During Office Hours):	

For appointment of two proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

\_\_\_\_\_  
Signature/ Common Seal of Shareholder



**Notes:-**

1. *A member of the Company shall not be entitled to appoint more than two (2) proxies to participate, speak and vote at the same meeting and where the member appoints two (2) proxies to participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.*
2. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.*
3. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
4. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 5 November 2020 (General Meeting Record of Depositors) shall be eligible to participate in the meeting or appoint proxy(ies) to participate and/or vote on his/her behalf.*

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AFFIX  
STAMP

**OCK GROUP BERHAD**  
(Registration No. 201101027780 (955915-M))  
LEVEL 2, TOWER 1  
AVENUE 5, BANGSAR SOUTH CITY  
59200 KUALA LUMPUR

2nd Fold Here

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Fold This Flap For Sealing

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