ANNUAL REPORT 2012

OPCOM HOLDINGS BERHAD 322661-W (Incorporated in Malaysia)

As the premier fiber optic manufacturer in Malaysia, OPCOM Holdings Berhad aims to synergise its resources, bringing forth a higher broadband connectivity to both domestic and international markets. As the industry faces new realities and changes, the Group continues to strive in being at the forefront of engineering a seamless broadband, realising its vision of providing an affordable broadband infrastructure for all Malaysians.

Content

VISION

An affordable broadband infrastructure for all Malaysians

MISSION

To deliver high quality and well-engineered products, supported by timely delivery and excellent customer service.

To provide the means and resources to promote equality, learning and growth initiatives aimed at the development of our employees to attain their true potential in order to sustain the future human resource needs of the organisation.

To diversify and venture into other businesses which support the long term growth of the Group.

VALUES

It is a set of principles that capture the spirit, philosophy and daily activity of OPCOM Holdings Berhad and its subsidiaries.

Superior Quality

Everything that OPCOM does or provides for internal and external stakeholders will be exceptionally recognised for superior quality based on world class standards.

Value

All our activities are geared towards creating value for the organisation.

Attitude

We believe that promoting and cultivating a positive outlook with forward looking attitude are essential in achieving our goals.

Challenge

We have, with the strong leadership of our management team over the years, managed to build up a healthy and successful working relationship for and with our employees.

Through the combination of foreign and local expertise, our teams of highly motivated and committed employees have been able to realise their true potential in offering our customers the best products at very competitive prices.

CORPORATE INFORMATION

Board of Directors

Dato' Mokhzani Mahathir
Chairman
Non-Independent
Non-Executive Director

Chhoa Kwang Hua
Executive Director

Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said
Independent Non-Executive Director

Tomio Alan Komatsu
Independent Non-Executive Director

Abdul Jabbar Bin Abdul Majid
Independent Non-Executive Director

Sven Janne Sjöden
Independent Non-Executive Director

Chan Bee Lean
Independent Non-Executive Director

Audit Committee

Chairman
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said

Members
Tomio Alan Komatsu
Chan Bee Lean

Remuneration Committee

Chairman
Abdul Jabbar Bin Abdul Majid

Members
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said
Sven Janne Sjöden

Company Secretaries

Seow Fei San (MAICSA 7009732)
Loh Lai Ling (MAICSA 7015412)

Registered Office

802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7803 1126
Fax : 03-7806 1387

Registrar

Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7841 8000
Fax : 03-7841 8151

Auditors

KPMG (AF 0758)
Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7721 3388
Fax : 03-7721 3399

Principal Bankers

AmBank (M) Berhad (8515-D)
Ground Floor
No.7 & 9, Jalan Solaris 1
Solaris Mont' Kiara
50480 Kuala Lumpur

Tel : 03-6203 7920
Fax : 03-6203 7930

RHB Bank Berhad (6171-M)
No.6, Jalan 24/70A
Desa Sri Hartamas
50480 Kuala Lumpur

Tel : 03-2300 2360
Fax : 03-2300 2358

Stock Exchange Listing

ACE Market
Bursa Malaysia Securities Berhad

Website

www.opcom.com.my

CORPORATE STRUCTURE

OPCOM HOLDINGS BERHAD

(Company No. 322661-W) Incorporated on 7 November 1994

Renting of buildings, provision of management services to subsidiaries and investment holding

70%

OPCOM CABLES SDN BHD

(Company No. 322687-T)

Manufacturing of fiber optic cables, systems and accessories

100%

OPCOM NIAGA SDN BHD

(Company No. 442938-M)

General trading of fiber and other cable production materials and provision of engineering services

100%

OPCOM SHARED SERVICES SDN BHD

(Company No. 665562-M)

Provision of human resources management services

FINANCIAL CALENDAR

1 April 2011

Declared an interim dividend of 2.00 sen per ordinary share, under single tier system in respect of the financial year ended 31 March 2012 which payment was made on 6 May 2011.

27 May 2011

Announcement of the unaudited results for the 4th quarter ended 31 March 2011.

20 July 2011

Announcement of the unaudited results for the 1st quarter ended 30 June 2011.

29 August 2011

Declared a special interim dividend of 22.50 sen per ordinary share, under single tier system in respect of the financial year ended 31 March 2012 which payment was made on 28 September 2011.

15 September 2011

16th Annual General Meeting held at Tropicana Golf & Country Resort.

22 November 2011

Announcement of the unaudited results for the 2nd quarter ended 30 September 2011.

17 February 2012

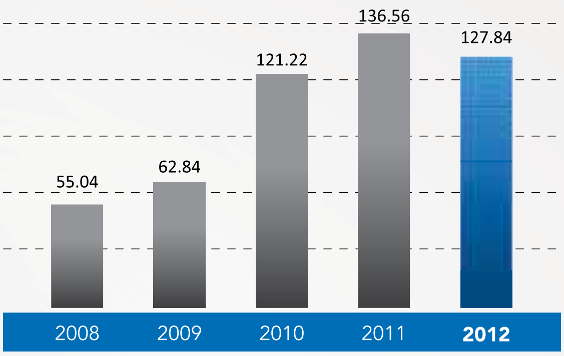
Announcement of the unaudited results for the 3rd quarter ended 31 December 2011.

FINANCIAL HIGHLIGHTS

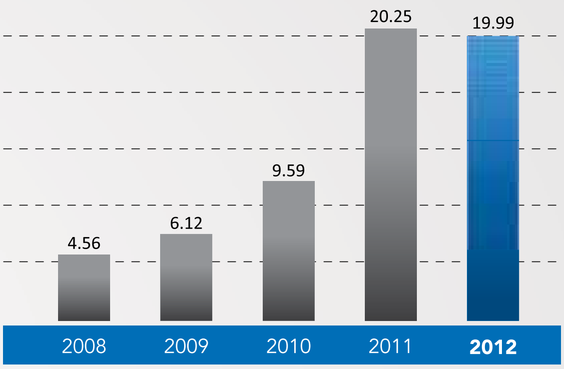
5-year financial track record

	Financial Year Ended 31 March				
	2008	**2009**	**2010**	**2011**	**2012**
Operating Results (RM Million)					
Revenue	55.04	62.84	121.22	136.56	127.84
Profit before taxation	8.50	10.58	16.24	37.31	35.78
Net profit attributable to owners of the Company	4.56	6.12	9.59	20.25	19.99
Key Financial Position Data (RM Million)					
Property, plant and equipment	36.76	37.77	34.97	32.93	31.71
Total assets	98.33	102.11	128.22	160.24	146.16
Share capital	25.80	25.80	25.80	25.80	25.80
Shareholders' funds	65.74	68.63	72.74	87.19	75.57
Share Information					
Per share (sen):-					
Basic earnings	3.53	4.74	7.43	15.70	15.49
Net assets	50.96	53.20	56.39	67.59	58.58
Net dividend	2.25	2.50	4.24	4.50	24.50
Financial Ratios (%)					
Return on total assets	6.46	8.05	9.92	17.22	18.13
Return on shareholders' equity	6.94	8.92	13.18	23.23	26.44

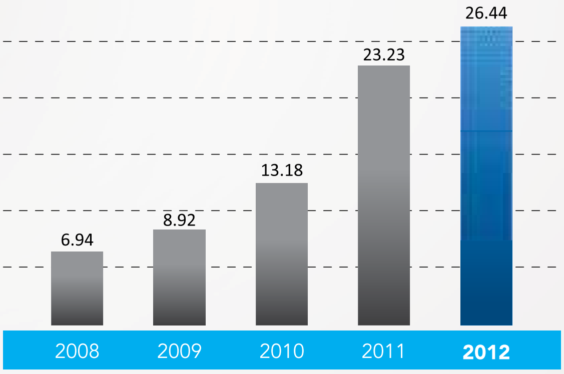
Revenue (RM Million)



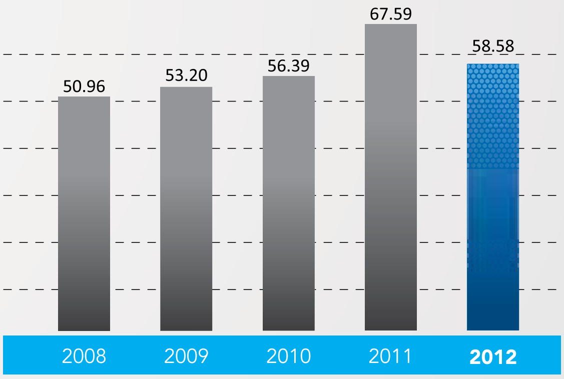
Net Profit Attributable to Owners of the Company (RM Million)



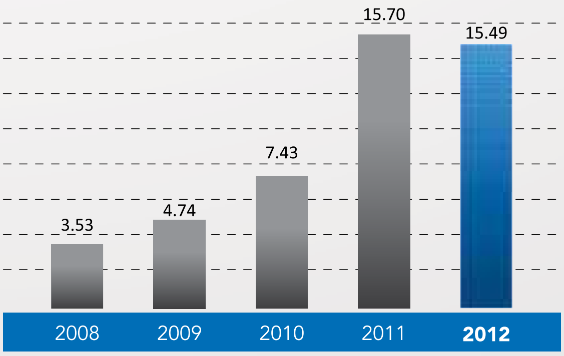
Return on Shareholders' Equity (%)



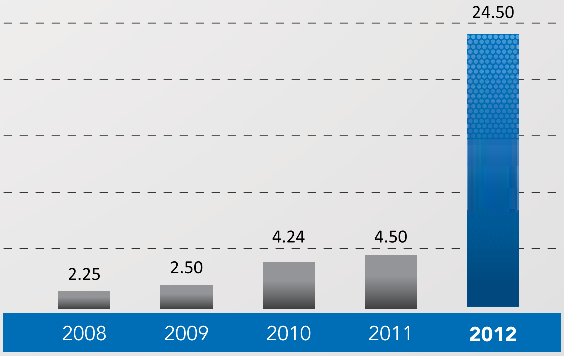
Net Assets Per Share (sen)



Basic Earnings Per Share (sen)



Net Dividend Per Share (sen)



Dato' Mokhzani Mahathir
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of your Board of Directors, it is my pleasure and privilege to present the Annual Report of OPCOM Holdings Berhad for the financial year ended 31 March 2012.

Financial Performance

Continued weakness in the global economy and the European financial crisis cast a shadow of uncertainty in the demand for telecommunications infrastructure in Malaysia during the financial year 2012. However, OPCOM Holdings Berhad ("OPCOM" or "Company") has managed to record a successful year and made significant progress in the operations of its businesses.

OPCOM Holdings Berhad and its subsidiaries ("OPCOM Group" or "Group") recorded revenue of RM127.8 million during the financial year and profit after tax of RM20.0 million. Group revenue was lower by 6.4% while profit after tax was lower by 1.3% compared to the preceding year.

The depreciation of the Malaysian ringgit and higher crude oil prices during the financial year resulted in higher raw material prices during the financial year. However, productivity gains from manufacturing cost optimisation programme and streamlined supply chain initiatives implemented during the preceding years helped to maintain our cost competitiveness.

The Group recorded an Earnings Per Share (EPS) of 15.5 sen for the financial year ended 31 March 2012, a slight reduction of 1.3% from the preceding year.

CHAIRMAN'S STATEMENT (continued)

Dividends

For the financial year ended 31 March 2012, the amount of dividends declared and paid by the Group were as follows:-

i. an interim dividend of 2.00 sen per ordinary share, under the single tier system, totaling RM2,580,000 was declared on 1 April 2011 in respect of the financial year ended 31 March 2012 and paid on 6 May 2011; and

ii. a special interim dividend of 22.50 sen per ordinary share, under the single tier system, totaling RM29,025,000 was declared on 29 August 2011 in respect of the financial year ended 31 March 2012 and paid on 28 September 2011.

Since OPCOM's listing in 2003, we have declared and paid out approximately RM65.4 million of dividends to our shareholders. OPCOM continues to take a prudent and balanced approach and maintain our current dividend payout practice. The Group's ongoing business growth will require us to fund our capital expenditure programme, working capital requirement and potential strategic initiatives with internally generated cash flows.

Industry Outlook and Prospects

OPCOM is upbeat about its business activities for the current financial year as telecommunications service providers and infrastructure projects continue to drive the demand for fiber optic cables and related products. Telekom Malaysia Berhad and other telecommunications service providers continue to sustain the build-out of Fiber-to-the-Home (FTTH) access network—and with further content proliferation, FTTH is increasingly perceived as the more reliable and efficient alternative to deliver TV services into the home especially in the major metropolitan areas.

The Group continues to explore strategic alliances in its industry ecosystem as the market and technology evolves. During the financial year, the Group continued to engage with potential strategic collaboration partners and we hope that our efforts to diversify into outsourced services will be realised in the near future.

During the past financial year, we continued to seek various business opportunities overseas and outside our industry domain. OPCOM is prepared to utilise its cash reserves to grow its business by acquisitions as part of its commitment to shareholder value creation.

The Group is exploring various strategic alliances with leading players in the telecommunications industry as our market evolves.

Research and Development ("R&D")

To maintain our leading position as a low cost and efficient fiber optic cable manufacturer, OPCOM continues to invest in process R&D and development. To ensure efficiency in our R&D investment, we collaborate with our joint-venture partner, Ericsson AB of Sweden. During the financial year, we saw tangible results in our R&D efforts that has resulted in OPCOM introducing new products into the marketplace and generating new sales contribution from these new products.

The Company introduced new types of fiber optic cables and related products for other industry applications such as mass transit, railway and transportation management.

As the requirement from our customers evolves, OPCOM continues to work closely with our customers to jointly design new fiber optic cable systems that would help them grow their telecommunications networks in a cost efficient manner.

CHAIRMAN'S STATEMENT (continued)

Corporate Governance

Statement on the Corporate Governance and Internal Control presented in this Annual Report respectively affirm the Group's commitment in ensuring compliance with the Principles and Best Practices set out in the Malaysian Code on Corporate Governance which is a crucial and fundamental requirement in the course of discharging our duty to protect and enhance shareholder value as well as the financial position and performance of the Group.

There were no sanctions and/or penalties imposed on OPCOM and its subsidiaries and their directors by any relevant regulatory bodies for the financial year ended 31 March 2012.

Corporate Social Responsibility

As a manufacturing company, OPCOM is committed to its ***Go Green*** programme of environmental awareness, energy conservation and recycling to reduce wastage and carbon footprint. We also participated in the tree planting programme organised by the Shah Alam City Council.

OPCOM is committed to contributing to the community it operates in. During the financial year, OPCOM initiated a donation programme to provide monetary and nutritional support to orphans of Institut Taufiq Islami in Klang, Selangor Darul Ehsan. We also donated school uniforms, shoes, books and stationeries to needy students in Sekolah Kebangsaan Puncak Alam in Selangor Darul Ehsan.

Other activities which the Company and its employees participated include blood donation drive organised by University Malaya Medical Centre Blood Bank, career talk and guidance at UiTM as well as charity works at various orphanages.

Acknowledgement and Appreciation

On behalf of the Board of Directors, I would like to extend my sincere gratitude to our customers especially Telekom Malaysia Berhad for their trust and confidence in us. I would like to thank everyone at OPCOM for their dedication and passion to drive the Company forward with our Company-wide improvement programme.

We would also like to record our appreciation to our joint-venture partner, Ericsson AB of Sweden, business partners, vendors and other stakeholders for their trust and support extended to the Group during the financial year.

Last but not least, my heartfelt appreciation to our shareholders for their support and confidence in OPCOM.

Dato' Mokhzani Mahathir
Chairman

BOARD OF DIRECTORS' PROFILES

DATO' MOKHZANI MAHATHIR

Chairman
Non-Independent Non-Executive Director

Dato' Mokhzani Mahathir, a Malaysian, aged 51, was appointed as a Director of Opcom Holdings Berhad on 8 May 2009. He is also the Chairman of the Company.

He earned a Bachelor of Science in Petroleum Engineering from University of Tulsa, Oklahoma in 1987.

Dato' Mokhzani began his career as a Wellsite Operations Engineer with Sarawak Shell Berhad in 1987. He later joined Tongkah Holdings Berhad in 1989 and was appointed as the Group Managing Director, a post he held until 2001. He was the Chairman and Group Chief Executive Officer of Pantai Holdings Berhad until 2001. Presently, he sits on the board of Maxis Berhad and SapuraKencana Petroleum Berhad. He is the Executive Director and Executive Vice Chairman of SapuraKencana Petroleum Berhad.

Dato' Mokhzani is the Chairman of Sepang International Circuit Sdn. Bhd., a position he held since 2003.

Dato' Mokhzani also sits on the board of Goldtron Ltd (Singapore), Kencana Capital Sdn. Bhd. and several other private limited companies.

Dato' Mokhzani Mahathir is the brother of Dato' Mukhriz Mahathir and brother-in-law of Datin Norzieta Zakaria, both are major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

CHHOA KWANG HUA, ERIC

Executive Director

Mr Chhoa Kwang Hua, a Malaysian, aged 48, co-founded the Company with Dato' Mukhriz Mahathir in 1994. He is the Executive Director of the Company.

He holds a Bachelor of Science in Business Administration and Finance (Honours) from Sophia University, Tokyo, Japan in 1988 and a Master of Business Administration (MBA) from Harvard Business School, Boston, Massachusetts in 1992.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

LT. JEN. (B) DATO' SERI PANGLIMA ZAINI BIN HJ. MOHD SAID

Independent Non-Executive Director

Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said, a Malaysian, aged 66, was appointed as a Director of Opcom Holdings Berhad on 12 September 2003. He serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee.

He was a career soldier, having served in the Malaysian Army for over thirty five (35) years beginning in 1965. His early military training was mainly in Infantry and Special Forces skills. He is also a graduate of the US Marine Corps Command and General Staff College, the Malaysian Armed Forces Defence College and the Pakistan National Defence College courses.

He held various command and staff appointments in the Army, notably as the Brigade Commander of 10 Parachute Brigade, General Officer Commanding 3rd Infantry Division and finally the General Officer Commanding Army Field Command. On 2 June 2001, he was awarded the Seri Pahlawan Gagah Perkasa (SPGP), the nation's highest award for gallantry. He is the Chairman of NS Construction Sdn. Bhd. He also sits on the boards of a number of other private limited companies.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

ABDUL JABBAR BIN ABDUL MAJID

Independent Non-Executive Director

Encik Abdul Jabbar Bin Abdul Majid, a Malaysian, aged 67, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He serves as the Chairman of the Remuneration Committee. He is a fellow of the Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

He has more than forty (40) years experience in accounting, audit, receivership, liquidation, financial advisory and consultancy. He is a director of public listed companies such as Tradewinds Corporation Berhad and Bank Muamalat Malaysia Berhad. He is an active contributor to the profession of accountancy and the financial industry. He was a member of the Exchange Committee of Bursa Malaysia Securities Berhad and Labuan International Financial Exchange Inc and was the Executive Chairman of Bursa Derivatives Berhad for three (3) years from 2001.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

BOARD OF DIRECTORS' PROFILES (continued)

SVEN JANNE SJÖDEN
Independent Non-Executive Director

Mr Sven Janne Sjöden, a Swedish, aged 68, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He is a member of the Remuneration Committee.

He holds a Bachelor of Science in Economics from Uppsala University, Sweden. He joined Ericsson Network Technologies AB, Sweden (ENT) in 1966 and has acquired extensive experience in the production of a wide range of telecom equipment.

He had held various senior positions within production both at Telefonaktiebolaget LM Ericsson, Sweden and ENT. During the period 1988 to 1992, he served as Divisional Manager within the Telecom and Power Cables Divisions as well as Vice President for ENT. Between 1992 and 2008, he was responsible for the Business Unit Cable and was at the same time appointed the President of ENT.

He is now the Chairman of Hoverline Group, Sweden and is a director of several other companies in Sweden and abroad.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

TOMIO ALAN KOMATSU
Independent Non-Executive Director

Mr Tomio Alan Komatsu, an American, aged 42, was appointed as a Director of Opcom Holdings Berhad on 12 September 2003. He is a member of the Audit Committee.

He holds a Bachelor of Arts in Economics and Asian Studies from Williams College in Massachusetts, USA, and is a Chartered Financial Analyst (CFA) charter holder. He is currently an independent Financial Consultant based in the United States of America.

Prior to this, he was the Executive General Manager, Investment Operations with Shanghai Dragon Investment (SDI). Prior to SDI, he was a Vice President with JP Morgan, specialising in corporate finance and mergers and acquisitions. Previously, he was Acquisition and Development Manager for an affiliate of Chase Capital Partners. He was also formerly an investment banker with Lehman Brothers based in New York, Tokyo, Hong Kong and Singapore.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

CHAN BEE LEAN

Independent Non-Executive Director

Ms Chan Bee Lean, a Malaysian, aged 41, was appointed as a Director of Opcom Holdings Berhad on 7 January 2010. She is a member of the Audit Committee.

She holds a Bachelor of Accounting Degree (Honours) from University Utara Malaysia. She is a member of the Malaysian Institute of Accountants and also a member of the Institute of Internal Auditors Malaysia.

She has been in internal auditing for over fourteen (14) years. She is currently the Group Internal Audit Manager of Merge Housing Bhd.

She does not have any family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted for any offence within the past ten (10) years.

SENIOR MANAGEMENT PROFILES

YUSREE PUTRA ALIAS

Vice President

Encik Yusree Putra Alias, a Malaysian, aged 42, joined the Group in 1997. He earned a Diploma in Electrical Engineering (Electronics) from University of Technology of MARA (UiTM) in 1993. Yusree started his career in Marconi (M) Sdn. Bhd. as an Engineer where he was involved in planning and design, installation and commissioning of fiber optic cables and systems. He joined the Group in April 1997 as a Project Manager and since 2000 has been responsible for Marketing and Sales. He was appointed as Vice President of Opcom Cables Sdn. Bhd. in 2010. As Vice President, Yusree assumes the day-to-day operational responsibilities in Opcom Cables Sdn. Bhd.

BEH SI YI

Assistant Financial Controller

Ms Beh Si Yi, a Malaysian, aged 31, joined the Group in 2009. She is an associate member of Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants. She has more than five (5) years experience in finance and accounts operations prior to joining the Group as an Accountant. She was subsequently promoted to Assistant Financial Controller of the Group and assumes the responsibilities of Finance and Accounts and Procurement within the Group.

AHMAD SABRI ABDUL MANAS

Project Development Director

Encik Ahmad Sabri Abdul Manas, a Malaysian, aged 49, joined the Group in 1995. He earned a Bachelor of Engineering (Mechanical) from University of Malaya, Kuala Lumpur in 1987. He has over seventeen (17) years experience in the fiber optic cable industry. Ahmad Sabri was responsible for the Technical function and subsequently with his array of experience, he now assumes the Project Development function in the Group.

ROHIZA HUSAIN

Head, Plant Management Team

Puan Rohiza Husain, a Malaysian, aged 43, joined the Group in 2011. She earned a Bachelor Degree in Electrical Engineering from Gunma University, Japan in 1993. Rohiza has over eighteen (18) years experience in engineering where she was involved in machine maintenance, design/installation and commissioning of new machines and equipment. She is responsible for the entire Plant Operation and Engineering functions in Opcom Cables Sdn. Bhd.

MOHD SALLWEI SALLEH

Technical Manager

Encik Mohd Sallwei Salleh, a Malaysian, aged 38, joined the Group in 2009. He earned a Bachelor of Science (Applied Physics) from University of Malaya, Kuala Lumpur in 1999. Prior to joining the Group, he has various experience in process development and improvement. He is responsible for the Technical and Quality function in Opcom Cables Sdn. Bhd.

JAMALIAH ZAINAL

Group Human Resource Manager

Puan Jamaliah Zainal, a Malaysian, aged 45, joined the Group in 1995. She earned a Bachelor Degree in Business Administration from California State University, Chico in 1989. She started her career with the Group as a Corporate Planning Officer. Since then, she has progressed in the Group to assume responsibilities of Group Human Resource.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") recognises the importance for the Company to maintain high standards of transparency, accountability and integrity in the conducts of the Company and its subsidiaries ("Group") business and affairs. The Board adopts and applies the Principles and Best Practices as governed by the Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("Listing Requirements") and Guidance Note 11 on Corporate Governance ("Guidance Note"), undertakes additional measures, principles and recommendation embodied in the Malaysian Code on Corporate Governance ("Code") and strives to adopt the substance and not merely the form behind the corporate governance prescription.

The Board delegates certain responsibilities to the Board Committees, all of which operate within the defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Remuneration Committee, Employees' Share Option Committee and Risk Management Committee. The respective committees report to the Board on matters considered and their recommendation thereon for approval and decision-making.

1. The Board

The Board is responsible for the Company's overall strategic direction and objectives, its acquisition and divestment policies, financial policy, major investments and the consideration of significant financial matters.

The Board's spectrum of skills and experience gives added strength to the leadership, thus ensuring the Group is under the guidance of an accountable and competent Board. The Board operates within a robust set of governance as set out below:-

1.1 Composition of the Board

The Board has seven (7) members comprising one (1) executive director and six (6) non-executive directors. Five (5) of the six (6) non-executive directors are independent non-executive directors, thus, this complies with Rule 15.02 of the Listing Requirements that at least one-third (1/3) of the Board is independent directors.

The Directors have wide ranging experience and all have occupied or are currently occupying senior positions in the public and/or private sectors. A brief profile of each Board member is as set out on pages 16 to 19 of this Annual Report. The presence of independent directors fulfils a pivotal role in corporate accountability and the role of the independent directors is particularly important as they provide unbiased and independent views, advice and judgement.

1.2 The Board Meeting

The Board meets regularly, at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. Additional meeting would be convened when urgent and important decision needs the Board's review and consideration between scheduled meetings.

During the financial year under review, four (4) meetings of the Board were held and all Directors have complied with the requirement in respect of Board Meeting attendance as provided in the Listing Requirements. The details of Directors' attendance are set out below:-

Directors	Total Attendance
Dato' Mokhzani Mahathir	4/4
Chhoa Kwang Hua	3/4
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	4/4
Tomio Alan Komatsu	4/4
Abdul Jabbar Bin Abdul Majid	4/4
Sven Janne Sjöden	4/4
Chan Bee Lean	4/4

1.3 Supply of and Access to Information and Advice

The Board has a formal schedule of matters reserved specifically for its decision. The Directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. Prior to the Board meetings, the agenda for each meeting together with a full set of Board papers containing information relevant to the business of the meetings are circulated to the Directors. This allows sufficient time for any of the Board members to obtain further explanations or clarifications as may be needed from Senior Management and/or the Company Secretary or to consult independent advisers before the meetings.

Senior Management personnel are invited to attend Board meetings to report on their areas of responsibility when necessary, to furnish the Board with detailed explanations and clarifications on issues that are tabled and/or raised at the Board meetings. External advisers may be invited to attend Board meetings at the expense of the Company when necessary.

At all times, all members of the Board have direct and unrestricted access to the Senior Management and the Company Secretary of the Company for information relating to business and affairs of the Group.

1.4 Training

The Directors attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as directors of the Company. Additionally, the Directors kept themselves updated with the changes in the business and regulations through sharing and discussion in official Board meetings and unofficially through small group discussions among the Directors.

The courses, seminars, conferences and talks attended by the Directors during the financial year were in the following areas:-

- Anti-Money Laundering
- Masterclass in Digital Forensics
- Operations and Market Risk Masterclass
- Internal Audit, Internal Control and Compliance Conference 2011
- 8th Kuala Lumpur Islamic Finance Forum
- Kuala Lumpur Islamic Finance Forum Masterclass 8 Workshop - Sukuk Structuring and Issuing
- MIA-AFA Conference 2011
- Financial Data Analysis
- Malaysian Financial Reporting Standards Briefing by KPMG
- Understanding Islamic Finance: Investment Opportunities and Challenges
- Assessing the Risk and Control Environment
- Enterprise Risk Management – What A Director Must Know
- Equity Market Funtionality

1.5 Appointment and Re-election

Currently, the appointment of directors is dealt with by the entire Board. The Board has decided not to set up a Nomination Committee as the Board was of the view that given the current size of the Board, any appointment of new directors could be dealt with effectively and objectively by the entire Board.

In the absence of the Nomination Committee, the assessment of the effectiveness and contribution of the Board as a whole, the Board Committees and contribution of each individual director would be reviewed by the entire Board.

In accordance with the Company's Articles of Association, at every Annual General Meeting one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one third shall retire from office such that each Director shall retire from office once in every three (3) years and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors over the age of 70 are required to offer themselves for re-election at every Annual General Meeting.

1.6 Directors' Remuneration

i. Remuneration Committee

Remuneration Committee was established with the objective of providing a transparent and formal procedure for formulating and proposing the remuneration for the Directors and Senior Management. The Board as a whole determines the remuneration packages of the Directors with the Director concerned abstaining from participating in decisions in respect of his or her individual package.

ii. Composition and Designation

Chairman: **Abdul Jabbar Bin Abdul Majid**
(Independent Non-Executive Director)

Members: **Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said**
(Independent Non-Executive Director)

Sven Janne Sjöden
(Independent Non-Executive Director)

The aggregate remuneration of the Directors for the financial year ended 31 March 2012 is as follows:-

Remuneration (RM)	Executive Director	Non-Executive Directors
Fees	60,000.00	168,600.00
Salaries	242,097.10	239,041.33
Allowances	76,000.00	44,500.00
Bonus	80,000.00	80,000.00
Benefits-in-kind	99,908.00	-
Total	**558,005.10**	**532,141.33**

The number of directors who served during the financial year whose remuneration falls into the following bands:-

Band of Remuneration	Executive Director	Non-Executive Directors
Less than RM50,000	-	5
RM350,001 to RM400,000	-	1
RM550,001 to RM600,000	1	-
Total	**1**	**6**

2. Audit Committee

As of financial year ended 31 March 2012, the Company has in place an Audit Committee which comprises three (3) independent non-executive directors.

The role of the Audit Committee is to oversee the processes for preparation and completion of the financial data. The Audit Committee reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the Group.

3. Shareholders

3.1 Dialogue between the Company and Investors

The Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors and the investing public at large with the objective of providing as clear and complete a picture of the Group's performance and position as possible. Such information is communicated on a timely basis through the following channels:-

- The various disclosures and announcements on Bursa Securities website including quarterly and annual results;
- The website developed by the Group known as www.opcom.com.my;
- The yearly annual report; and
- Participating in investor forum with research analysts, fund managers and investors.

3.2 General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations.

AGM is held yearly to consider the ordinary business of the Company and any other special businesses. Each item of special businesses included in the notice is accompanied by a full explanation of the effects of the proposed resolution. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

4. Accountability And Audit

4.1 Financial Reporting

The Board aims to present a fair, balanced and meaningful assessment of the Group and the Company's financial performance and prospects. This is achieved primarily through the announcements of quarterly financial results and annual financial statements to Bursa Securities and the circulation of annual report to the shareholders. The Audit Committee assists the Board by reviewing the financial information to be disclosed, to ensure completeness, accuracy and adequacy prior to release to Bursa Securities.

CORPORATE GOVERNANCE STATEMENT (continued)

4.2 Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Securities have been applied.

In preparing the financial statements, the Directors have:-

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been followed; and
- Prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

4.3 Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Currently, the Group does not maintain an Internal Audit Department but had outsourced its internal audit function to ensure independent reviews be carried out on the adequacy and integrity of the Group's system of internal controls. The Board considers the system of internal controls instituted throughout the Group sound and sufficient.

The total cost incurred for the Internal Audit activities of the Group for the financial year under review was RM53,000.00.

The Statement on Internal Control furnished on pages 29 and 30 of the Annual Report provides an overview on the state of internal controls within the Group.

4.4 Relationship with the Auditors

Through the Audit Committee, the Board has established and maintained a formal and transparent relationship with the Group's external and internal auditors.

A summary of the activities of the Audit Committee during the financial year is set out under the Audit Committee Report on pages 31 to 33 of the Annual Report.

4.5 Compliance with the Code

The Board strives to ensure that the Group complies with the Principles and Best Practices of the Code. The Board will endeavour to improve and enhance procedures in the Group to ensure compliance from time to time. The Group has complied with the Best Practice of the Code.

5. Statement On Material Contracts Involving Directors' And Major Shareholders' Interest

There were no material contracts entered into by the Group involving the directors' or major shareholders' interest during the financial year ended 31 March 2012.

6. Risk Management Committee

Risk Management Committee holds monthly meetings. This Committee regularly reviews all risks including financial, operation and market risks and ensure risks and controls are kept updated to reflect current business situations and ensure relevance at any given time. Steps are taken to eliminate outdated and irrelevant risks and identify new and vulnerable risks, for which new controls will be effected.

The Management, in keeping with good corporate governance practices, takes a serious view of ensuring that the Group is always on alert of any situation that might adversely affects its assets, income and ultimately, its profits.

7. Recurrent Related Party Transaction

The recurrent related party transactions of a revenue or trading nature of Opcom Holdings Berhad ("Opcom") and its subsidiaries made during the financial year ended 31 March 2012 pursuant to the shareholders' mandate were as follows:-

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate Value (RM)
Opcom Sdn. Bhd. ("OSB")	Purchase of Fiber-to-the-Home accessories and related training from OSB	Dato' Mokhzani Mahathir [a] Dato' Mukhriz Mahathir [b] Datin Norzieta Zakaria [c] Mirzan Mahathir [d]	**24,492,391**
	Letting of office space to OSB of 1,200 sq.ft.at 11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM3,000 per month	MOCSB [e]	**36,000**
Ericsson AB, Sweden ("EAB")	Supply of cables related products to EAB via a General Purchase Agreement	ENT [f] EAB [g]	**329,985**
	Purchase of goods and services from EAB • Cable production materials • Fiber optic cables		**13,263,635**
Airzed Broadband Sdn. Bhd. ("ABSB")	Letting of Opcom's open area of 4,890 sq. ft. at 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan to ABSB at RM500 per month	Dato' Mukhriz Mahathir [b] Datin Norzieta Zakaria [c] MOCSB [e] Chhoa Kwang Hua [h] Chhoa Kuang Yaw [i]	**6,000**
Airzed Services Sdn. Bhd. ("ASSB")	Purchase of wireless broadband access from ASSB	Dato' Mukhriz Mahathir [b] Datin Norzieta Zakaria [c] MOCSB [e] Chhoa Kwang Hua [h] Chhoa Kuang Yaw [i]	**2,600**

CORPORATE GOVERNANCE STATEMENT (continued)

Notes:

Nature of Interest

a. Dato' Mokhzani Mahathir is the Chairman of Opcom, Chairman/Managing Director of Opcom Cables Sdn. Bhd. ("OCSB"). Dato' Mokhzani Mahathir is the brother of Dato' Mukhriz Mahathir and Mirzan Mahathir. He is the brother-in-law of Datin Norzieta Zakaria.

b. Dato' Mukhriz Mahathir is a major shareholder of Opcom.

c. Datin Norzieta Zakaria, the spouse of Dato' Mukhriz Mahathir is a director of OCSB, Opcom Niaga Sdn. Bhd. ("ONSB") and Opcom Shared Services Sdn. Bhd. ("OSSSB"). She is a major shareholder and director of M Ocean Capital Sdn. Bhd. ("MOCSB"), OSB and ABSB. She is also a major shareholder of ASSB.

d. Mirzan Mahathir, the brother of Dato' Mokhzani Mahathir and Dato' Mukhriz Mahathir and the brother in-law of Datin Norzieta Zakaria is a director of OCSB and a shareholder of OSB. He is also a shareholder and director of MOCSB.

e. MOCSB is a major shareholder of Opcom.

f. Ericsson Network Technologies AB, Sweden ("ENT") is the major shareholder of OCSB.

g. EAB and ENT are controlled by a same parent company.

h. Chhoa Kwang Hua, the Executive Director of Opcom is a director of ONSB and OSSSB. He is a director and major shareholder of ABSB and ASSB. He is also an alternate director to Datin Norzieta Zakaria in OCSB.

i. Chhoa Kuang Yaw is the brother of Chhoa Kwang Hua.

STATEMENT ON INTERNAL CONTROL

Introduction

The Board of Directors of Opcom Holdings Berhad ("Board") and its subsidiaries ("Group") is pleased to provide the following statement on the state of internal control of the Group for the financial year ended 31 March 2012, which has been prepared in accordance with the "Statement of Internal Control – Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by the Bursa Malaysia Securities Berhad.

Board Responsibility

The Board recognises the importance of an effective and dynamic Board to lead and control the Group in enhancing the long term shareholders' value and also ensuring that other stakeholders' interest are also taken into consideration.

The Board is entrusted with the responsibility to exercise reasonable and proper care of the Group's resources in the best interest of its shareholders, whilst safeguarding its assets and shareholders' investments.

The Board affirms its overall responsibilities for maintaining a sound system of internal controls, for reviewing its adequacy and integrity in supporting the achievement of the Group's strategic goals and business objectives, and for managing those risks efficiently, effectively and economically.

Risk Management Framework

The Board has a structured Risk Management Framework to facilitate the Group's objective to identify, evaluate and manage significant business risks. The framework includes examining of business risks, assessing impact and likelihood of risks and taking management action plans to mitigate and minimise risk exposures. The Risk Management Committee met twelve (12) times during the financial year ended 31 March 2012, and carried out its duties in accordance with the Group's Risk Management Policies and Procedures.

The Risk Management Committee monitors and reviews the risk management plans and activities and reports to the Audit Committee on a quarterly basis. The Audit Committee, on a quarterly basis, performs formal reviews on the adequacy and integrity of the risk management framework and system of internal controls.

Internal Audit

The Group appointed an independent outsourced internal audit service provider to carry out internal audit reviews, and to support the Board in assessing the adequacy and integrity of the internal control systems of the business units within the Group. The internal audit team highlights to the executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The reports are submitted to the Audit Committee, which reviews the findings with Management at its quarterly meetings.

In addition, the Management's response to the control recommendations on deficiencies identified during the internal audits provides an added and independent assurance that control procedures are in place, and are being followed.

The Audit Committee reports to the Board the plans and activities of the outsourced internal audit function, significant findings and the necessary recommendations in relation to adequacy and effectiveness of the system of internal controls of the Group including accounting control procedures.

STATEMENT ON INTERNAL CONTROL (continued)

Other Key Elements Of The Internal Control System

The Group's system of internal controls also comprise of the following key elements:-

- **Control Procedures**

  Group-wide policies and procedures are in placed to facilitate communication and awareness of accountabilities and control procedures for key business units. The policies and procedures are available and accessible by the relevant employees.

- **Organisational Structure and Accountability Levels**

  The Group has a formally defined organisational structure that sets out lines of accountability. The delegation of authority is documented and sets out the decisions that need to be taken and the appropriate authority levels of management, including matters that require the Board's approval. Key financial and procurement matters of the Group required the authorisation from the relevant levels of senior management.

- **Reporting Review**

  The Group's management teams carry out monthly monitoring and review of financial results and budgets for all business units within the Group, including monitoring and reporting of performance against the operating plans and annual budgets in operation committee meetings. The Group's management teams communicate regularly to monitor operational and financial performance as well as to formulate action plans to address any areas of concern.

The nature of risks means that events may occur which would give rise to unanticipated or unavoidable losses. The Group's system of internal controls is designed to provide reasonable but not absolute assurance against the risk of material errors, fraud or losses from occurring. It is possible that internal control maybe circumvented or overridden. Furthermore, because of changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The rationale of the system of internal controls is to enable the Group to achieve its strategic and business objectives within an acceptable risk profile and cannot be expected to eliminate all risks. The system of internal controls will continue to be reviewed, added on or updated in line with the changes in the operating environment.

The Board is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks. There was no significant breakdown or weakness in the system of internal controls of the Group that may result in material loss to the Group for the financial year ended 31 March 2012.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee ("Committee") is to assist the Board of Directors ("Board") in discharging its statutory duties and responsibilities for corporate governance, timely and accurate financial reporting and adequacy of internal controls within the Company and its subsidiaries ("Group").

1. Membership

The present members of the Committee comprised:

Chairman: **Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said**
(Independent Non-Executive Director)

Members: **Tomio Alan Komatsu**
(Independent Non-Executive Director)

Chan Bee Lean
(Independent Non-Executive Director)

2. Attendance At Meetings During The Financial Year 2012

The Committee held a total of five (5) meetings. Details of attendance of the Committee members are as follows:-

Name	Number of Meetings Attended*
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	5/5
Tomio Alan Komatsu	5/5
Chan Bee Lean	5/5

* During the financial year under review, the members of the Committee had two (2) separate dialogues with the representatives of the external auditors, KPMG without the presence of any executive director and management personnel.

3. Summary Of Activities Of The Committee

The Committee carried out the following activities in discharging its duties and responsibilities as set out in the terms of reference of the Committee:-

i. Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.

ii. Reviewed the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities are adequately covered.

iii. Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:-

(a) significant and unusual events;
(b) changes in or implementation of major accounting policy; and
(c) compliance with accounting standards and other legal requirements.

iv. Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

v. Reviewed the policies, procedures and processes established for related party transactions.

vi. Reviewed and approved the proposed final audit fees for the external auditors and internal auditors in respect of their audits of the Company and the Group.

vii. Considered the re-appointment of the external auditors and renewal of internal audit engagement.

viii. Met with the external auditors twice a year without the presence of any executive director and management personnel.

4. Internal Audit Activities

The Internal Audit function of the Group has been outsourced to Deloitte Enterprise Risk Services Sdn. Bhd. ("Deloitte"), who reports directly to the Committee. Deloitte assists the Board in maintaining a sound system of internal controls and ensure that established policies and procedures are adhered to and continue to be effective and satisfactory.

Deloitte has conducted on-going reviews of the adequacy and effectiveness of the internal control system, compliance with established policies and regulations and means of safeguarding assets of the Group. On a quarterly basis, audit findings and the plan progress reports are submitted for review and approval by the Committee. Included in the reports are recommended corrective measures on risks identified and/or weaknesses identified, if any, for implementation by Management. Some internal control weaknesses were identified during the financial year under review, all of which have been or are being addressed by the Management. None of these weaknesses has resulted in any material loss that would require disclosure in the Group's financial statements.

5. Statement On Employee Share Option Scheme ("ESOS")

The Committee confirmed that there was no allocation of share option under the Company's ESOS during the financial year under review.

6. Terms Of Reference

6.1 Primary Purposes

The Committee shall:-

i. Provide assistance to the Board in fulfilling its fiduciary duties and responsibilities relating to the corporate accounting and practices of the Group.

ii. Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

iii. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.

iv. Enhance the independence of both external and internal auditors' functions through active participation in the audit processes.

v. Strengthen the role of independent directors by giving them a greater depth of knowledge as to the operations of the Group through their participation in the Committee.

vi. Act upon the Board's request to investigate, report on any issues or concerns within the Group.

6.2 Members

The Board shall appoint from amongst themselves not fewer than three (3) members, all of whom must be non-executive directors, with a majority of independent non-executive directors. The Chairman of the Audit Committee shall be an independent director.

At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or a person who fulfils the requirements as stated in Rule 15.09(1)(c)(ii) of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

6.3 Authority

The Audit Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company have authority to investigate any matter within its terms of reference, have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity and be able to obtain independent professional advice and to secure the attendance of external advisers with relevant expertise in its meetings. The Committee convenes meetings with the external auditors, excluding the attendance of executive director and employees of the Group at least twice a year.

6.4 Functions and Duties

The functions of the Audit Committee are as follows:-

i. To review

a. External Audit

- the appointment of the external auditors, the audit fee and any question of resignation or dismissal and reason (supported by grounds) for resignation or dismissal of the Company's external auditors;
- the adequacy of external auditors audit plans and arrangements, with particular emphasis on the scope and quality of audit;
- the external auditors' audit reports; and

- Management letter by the external auditors to the Group and the Management's response to such letter.

b. Internal Audit

- nomination and any letter of resignation of the internal auditors;
- the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- the internal audit programme, processes, the results of the internal audit programme, processes and/or investigation undertaken and whether or not appropriate remedial actions are taken by Management on the recommendations of the internal audit function; and
- the effectiveness of the internal controls and management information systems.

c. Risk Management

- all areas of significant financial risk and the arrangement in place to contain those risks to acceptable levels.

d. Financial Reporting

- the quarterly results and year-end financial statements, before the approval of the Board.

e. Related Party Transactions

- any related party transactions and situations of potential conflict of interests that may arise within the Company and/or the Group including any transactions, procedures or courses of conduct that raise questions of management integrity.

ii. To carry out any other function that may be mutually agreed upon by the Committee and the Board, which would benefit the Company and/or the Group.

iii. To review and verify the allocation of share options to eligible persons as being in compliance with the by-laws approved by the Board and shareholders of the Company.

iv. To promptly report to Bursa Malaysia Securities Berhad ("Bursa Securities") on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Bursa Securities ACE Market Listing Requirements.

v. The Committee actions shall be reported to the Board with such recommendations as the Committee deemed appropriate.

6.5 Meetings

The Committee shall meet at least four (4) times in a year subject to the quorum of at least two (2) independent directors or more frequently as circumstances may require or upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. The Committee may invite any Board member, any member of Management and/or any employee of the Group who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.

6.6 Procedure Of Committee

The Committee may regulate its own procedures, in particular:-

i. The calling of meetings;

ii. The notice to be given of such meetings;

iii. The voting and proceedings of such meetings;

iv. The keeping of minutes; and

v. The custody, production and inspection of such minutes.

6.7 Secretary

The Company Secretary or other appropriate senior official shall be the Secretary to the Committee.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2012.

Principal activities

The Company is principally engaged in the renting of buildings, provision of management services to its subsidiaries and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	19,985,419	32,468,982
Non-controlling interest	6,505,765	-
	26,491,184	32,468,982

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid:

i) an interim dividend of 2.00 sen per ordinary share, under the single tier system, totalling RM2,580,000 in respect of the year ended 31 March 2012 on 6 May 2011; and

ii) a special interim dividend of 22.50 sen per ordinary share, under the single tier system, totalling RM29,025,000 in respect of the year ended 31 March 2012 on 28 September 2011.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Mokhzani Mahathir
Chhoa Kwang Hua
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said
Tomio Alan Komatsu
Abdul Jabbar Bin Abdul Majid
Sven Janne Sjöden
Chan Bee Lean

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at year end (including the interests of the spouses or children of the Director who is not director of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.20 each			
	At 1.4.2011	Bought	Sold	At 31.3.2012
Shareholdings in which Directors have direct interest				
Chhoa Kwang Hua	2,098,500	112,500	(16,000)	2,195,000
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	712,500	-	-	712,500
Sven Janne Sjöden	280,000	-	-	280,000
Abdul Jabbar Bin Abdul Majid	400,000	90,000	-	490,000

None of the other Directors holding office at 31 March 2012 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or of related companies) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in the Note 23 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company and the Company has not issued any debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the statement of financial position and statement of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

Other statutory information (continued)

In the opinion of the Directors, the financial performances of the Group and of the Company for the financial year ended 31 March 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent events

On 2 May 2012, a subsidiary has signed a RM82.3 million Variation Order to the existing RM359.6 million contract with Telekom Malaysia Berhad for the Supply, Delivery, Training and Support Services for Passive FTTH System.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Mokhzani Mahathir

Chhoa Kwang Hua

Petaling Jaya,
Date: 15 June 2012

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Assets					
Property, plant and equipment	3	31,710,209	32,934,523	7,577,161	7,803,561
Investment properties	4	-	-	7,244,246	7,449,929
Investments in subsidiaries	5	-	-	11,300,002	11,300,002
Deferred tax assets	6	3,004	3,004	-	-
Total non-current assets		31,713,213	32,937,527	26,121,409	26,553,492
Inventories	7	17,086,754	14,968,966	-	-
Trade and other receivables	8	47,005,395	35,933,844	306,537	214,469
Cash and cash equivalents	9	50,351,792	76,400,091	10,533,744	9,361,724
Total current assets		114,443,941	127,302,901	10,840,281	9,576,193
Total assets		146,157,154	160,240,428	36,961,690	36,129,685
Equity					
Share capital	10	25,800,000	25,800,000	25,800,000	25,800,000
Reserves		49,774,182	61,393,763	9,539,251	8,675,269
Total equity attributable to owners of the Company		75,574,182	87,193,763	35,339,251	34,475,269
Non-controlling interest		18,835,650	22,682,885	-	-
Total equity		94,409,832	109,876,648	35,339,251	34,475,269
Liabilities					
Deferred tax liabilities	6	1,736,513	1,832,856	553,024	530,961
Total non-current liabilities		1,736,513	1,832,856	553,024	530,961
Provisions	11	2,021,439	3,164,553	-	-
Trade and other payables	12	45,583,463	43,059,597	940,701	1,070,955
Current tax liabilities		2,405,907	2,306,774	128,714	52,500
Total current liabilities		50,010,809	48,530,924	1,069,415	1,123,455
Total liabilities		51,747,322	50,363,780	1,622,439	1,654,416
Total equity and liabilities		146,157,154	160,240,428	36,961,690	36,129,685

The notes on pages 45 to 78 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
Revenue		127,836,022	136,557,728	39,344,612	11,112,712
Results from operating activities	13	34,293,135	35,966,894	35,233,119	6,555,726
Finance income	15	1,482,976	1,341,552	322,699	242,495
Profit before tax		35,776,111	37,308,446	35,555,818	6,798,221
Income tax expense	16	(9,284,927)	(9,719,297)	(3,086,836)	(1,827,263)
Profit for the year and total comprehensive income for the year		26,491,184	27,589,149	32,468,982	4,970,958
Profit and total comprehensive income attributable to:					
Owners of the Company		19,985,419	20,254,480	32,468,982	4,970,958
Non-controlling interest		6,505,765	7,334,669	-	-
Profit for the year and total comprehensive income for the year		26,491,184	27,589,149	32,468,982	4,970,958
Basic earnings per ordinary share (sen)	17	15.5	15.7		

The notes on pages 45 to 78 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2012

Group	Note	Attributable to owners of the Company						
		Non-distributable			Distributable			
		Share capital RM	Share premium RM	Capital reserve RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total equity RM
At 1 April 2010		25,800,000	5,811,530	3,283	41,129,470	72,744,283	16,592,737	89,337,020
Profit for the year and total comprehensive income for the year		-	-	-	20,254,480	20,254,480	7,334,669	27,589,149
Dividends to owners of the Company and non-controlling interests	18	-	-	-	(5,805,000)	(5,805,000)	(1,244,521)	(7,049,521)
At 31 March 2011/1 April 2011		25,800,000	5,811,530	3,283	55,578,950	87,193,763	22,682,885	109,876,648
Profit for the year and total comprehensive income for the year		-	-	-	19,985,419	19,985,419	6,505,765	26,491,184
Dividends to owners of the Company and non-controlling interests	18	-	-	-	(31,605,000)	(31,605,000)	(10,353,000)	(41,958,000)
At 31 March 2012		25,800,000	5,811,530	3,283	43,959,369	75,574,182	18,835,650	94,409,832
		Note 10						

The notes on pages 45 to 78 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2012

		Attributable to owners of the Company			
		Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Retained earnings RM**	**Total RM**
At 1 April 2010		25,800,000	5,811,530	3,697,781	35,309,311
Profit for the year and total comprehensive income for the year		-	-	4,970,958	4,970,958
Dividends to owners of the Company	18	-	-	(5,805,000)	(5,805,000)
At 31 March 2011/1 April 2011		25,800,000	5,811,530	2,863,739	34,475,269
Profit for the year and total comprehensive income for the year		-	-	32,468,982	32,468,982
Dividends to owners of the Company	18	-	-	(31,605,000)	(31,605,000)
At 31 March 2012		25,800,000	5,811,530	3,727,721	35,339,251
		Note 10			

The notes on pages 45 to 78 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash flows from operating activities					
Profit before tax		35,776,111	37,308,446	35,555,818	6,798,221
Adjustments for:					
Depreciation					
- Property, plant and equipment		2,876,358	2,868,347	246,928	280,133
- Investment properties		-	-	205,683	204,755
Dividend income		-	-	(33,375,740)	(5,161,840)
Gain on disposal of property, plant and equipment		(18,528)	(52,100)	(82)	-
Interest income		(1,482,976)	(1,341,552)	(322,699)	(242,495)
Investment property written off		-	-	-	-
Provisions for liquidated damages		(1,143,114)	1,539,216	-	-
Property, plant and equipment written off		45,771	9,723	144	2,362
Unrealised foreign exchange loss/(gain)		192,338	(441,729)	-	-
Operating profit before changes in working capital		36,245,960	39,890,351	2,310,052	1,881,136
Inventories		(2,117,788)	1,850,922	-	-
Trade and other receivables		(10,864,298)	(13,578,201)	2,637	1,115,250
Trade and other payables		(4,457,666)	9,099,991	(130,254)	(489,862)
Cash generated from operations		18,806,208	37,263,063	2,182,435	2,506,524
Tax paid		(9,282,137)	(7,688,334)	(574,824)	(1,835,073)
Net cash generated from operating activities		9,524,071	29,574,729	1,607,611	671,451
Cash flows from investing activities					
Dividends received		-	-	30,962,005	5,161,840
Purchase of property, plant and equipment		(1,715,235)	(1,174,873)	(22,548)	(100,725)
Purchase of investment properties		-	-	-	(148,904)
Proceeds from disposal of property, plant and equipment		35,948	387,000	1,958	-
Interest received		1,275,594	1,341,552	227,994	242,495
Deposits released from bank		-	3,600,000	-	-
Net cash (used in)/generated from investing activities		(403,693)	4,153,679	31,169,409	5,154,706

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2012 (continued)

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash flows from financing activities					
Dividends paid to owners of the Company		(31,605,000)	(5,805,000)	(31,605,000)	(5,805,000)
Dividends paid to non-controlling interest		(3,332,084)	(2,000,000)	-	-
Net cash used in financing activities		(34,937,084)	(7,805,000)	(31,605,000)	(5,805,000)
Net (decrease)/increase in cash and cash equivalents		(25,816,706)	25,923,408	1,172,020	21,157
Effect of exchange rate fluctuations on cash held		(231,593)	98,983	-	-
Cash and cash equivalents at 1 April		76,400,091	50,377,700	9,361,724	9,340,567
Cash and cash equivalents at 31 March	(i)	50,351,792	76,400,091	10,533,744	9,361,724

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Deposits placed with licensed banks		35,190,609	64,183,121	8,800,000	8,600,000
Cash and bank balances		15,161,183	12,216,970	1,733,744	761,724
	9	50,351,792	76,400,091	10,533,744	9,361,724

The notes on pages 45 to 78 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Opcom Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
11, Jalan Utas 15/7
40200 Shah Alam
Selangor Darul Ehsan

Registered office
802, 8th Floor, Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 March 2012 comprise the Company and its subsidiaries. The financial statements of the Company as at and for the year ended 31 March 2012 do not include other entities.

The Company is principally engaged in the renting of buildings, provision of management services to its subsidiaries and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

The financial statements were approved by the Board of Directors on 15 June 2012.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*
- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- Amendments to FRS 7, *Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosures*

The Group's and the Company's financial statements for annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) issued by the MASB and International Financial Reporting Standards ("IFRS"). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - Valuation of investment property

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(p) - Operating segments

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 April 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combination (continued)

Acquisitions on or after 1 April 2011 (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions between 1 April 2006 and 1 April 2011

For acquisitions between 1 April 2006 and 1 April 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 April 2006

For acquisitions prior to 1 April 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous financial years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(j)(i)).

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other operating income” or “other expenses” respectively in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Construction in progress is not depreciated. Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold land which has unexpired period of more than 50 years is depreciated over the remaining lease term.

The estimated useful lives for the current and comparative periods for the other assets are as follows:

• Buildings	50 years
• Motor vehicles	5 years
• Office equipment	10 years
• Computer equipment	4 years
• Plant and machinery	15 years
• Renovation	5 years
• Tools and equipment	10 years
• Furniture and fittings	10-20 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised in the statements of financial position of the Group or the Company.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings.

Determination of fair value

The Directors estimate the fair values of the investment properties either by reference to independent valuer quotations or by considering to market evidence of transaction prices for similar properties within the same location or within the vicinity.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value with standard cost approximating actual being the main basis for cost. Variances in standard and actual costs are charged to cost of production. In the case of work-in-progress/manufactured inventories/finished goods, cost consists of raw materials, direct labour and appropriate proportion of fixed and variable production overheads.

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

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(i) Affiliated company

An affiliated company is defined as company which has common directors and shareholders with that of the Company.

2. Significant accounting policies (continued)

(j) Impairment of assets

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset, if any, is reduced through the use of an allowance account.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) State plans

The Group's and the Company's contributions to the statutory pension fund are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company has no further payment obligations.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Revenue and other income

(i) Goods sold

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services rendered is recognised in profit or loss as and when the services are performed.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(v) Rental income

Rental income is recognised in profit or loss as it accrues.

2. Significant accounting policies (continued)

(n) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(o) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Property, plant and equipment

Group	Long term leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment RM	Computer equipment RM	Plant and machinery RM	Renovation RM	Tools and equipment RM	Furniture and fittings RM	Construction in progress RM	Total RM
Cost											
At 1 April 2010	9,107,328	10,094,539	1,782,611	587,853	4,586,025	41,148,800	1,994,958	19,805	1,172,683	40,696	70,535,298
Additions	-	148,904	146,191	69,724	75,378	675,527	23,650	-	35,499	-	1,174,873
Reclassification	-	40,696	-	-	-	-	-	-	-	(40,696)	-
Disposals	-	-	(878,483)	-	-	-	-	-	-	-	(878,483)
Write off	-	-	-	(18,659)	(70,733)	(68,058)	-	-	(5,740)	-	(163,190)
At 31 March 2011/ 1 April 2011	9,107,328	10,284,139	1,050,319	638,918	4,590,670	41,756,269	2,018,608	19,805	1,202,442	-	70,668,498
Additions	-	-	-	98,045	93,385	1,352,197	43,750	-	127,858	-	1,715,235
Disposals	-	-	(99,907)	(3,300)	(1,958)	(33,462)	-	-	(19,658)	-	(158,285)
Write off	-	-	-	(6,409)	-	(272,529)	-	-	(1,600)	-	(280,538)
At 31 March 2012	9,107,328	10,284,139	950,412	727,254	4,682,097	42,802,475	2,062,358	19,805	1,309,042	-	71,944,910
Accumulated depreciation											
At 1 April 2010	1,599,290	2,629,455	741,220	390,496	4,384,946	23,785,972	1,392,790	7,879	630,630	-	35,562,678
Charge for the year	121,128	204,755	245,651	47,869	94,233	1,835,479	229,364	1,701	88,167	-	2,868,347
Disposals	-	-	(543,583)	-	-	-	-	-	-	-	(543,583)
Write off	-	-	-	(16,019)	(70,467)	(63,784)	-	-	(3,197)	-	(153,467)
At 31 March 2011/ 1 April 2011	1,720,418	2,834,210	443,288	422,346	4,408,712	25,557,667	1,622,154	9,580	715,600	-	37,733,975
Charge for the year	121,128	205,682	190,082	49,694	105,443	1,902,766	212,104	1,646	87,813	-	2,876,358
Disposals	-	-	(99,906)	(660)	(82)	(33,462)	-	-	(6,755)	-	(140,865)
Write off	-	-	-	(3,884)	-	(229,727)	-	(256)	(900)	-	(234,767)
At 31 March 2012	1,841,546	3,039,892	533,464	467,496	4,514,073	27,197,244	1,834,258	10,970	795,758	-	40,234,701

3. Property, plant and equipment (continued)

Group	Long term leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment RM	Computer equipment RM	Plant and machinery RM	Renovation RM	Tools and equipment RM	Furniture and fittings RM	Construction in progress RM	Total RM
Carrying amounts											
At 1 April 2010	7,508,038	7,465,084	1,041,391	197,357	201,079	17,362,828	602,168	11,926	542,053	40,696	34,972,620
At 31 March 2011/ 1 April 2011	7,386,910	7,449,929	607,031	216,572	181,958	16,198,602	396,454	10,225	486,842	-	32,934,523
At 31 March 2012	7,265,782	7,244,247	416,948	259,758	168,024	15,605,231	228,100	8,835	513,284	-	31,710,209

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Property, plant and equipment (continued)

Company	Long term leasehold land RM	Office equipment RM	Computer equipment RM	Renovation RM	Tools and equipment RM	Furniture and fittings RM	Construction in progress RM	Total RM
Cost								
At 1 April 2010	9,107,328	353,731	918,030	423,377	19,805	603,487	40,696	11,466,454
Additions	-	63,504	16,441	18,800	-	1,980	-	100,725
Reclassification	-	-	-	-	-	-	(40,696)	(40,696)
Write off	-	(7,400)	(38,268)	-	-	-	-	(45,668)
At 31 March 2011/ 1 April 2011	9,107,328	409,835	896,203	442,177	19,805	605,467	-	11,480,815
Additions	-	6,505	14,847	-	-	1,196	-	22,548
Write off	-	-	-	-	(400)	-	-	(400)
Disposal	-	-	(1,958)	-	-	-	-	(1,958)
At 31 March 2012	9,107,328	416,340	909,092	442,177	19,405	606,663	-	11,501,005
Accumulated depreciation								
At 1 April 2010	1,599,290	225,446	833,625	397,744	7,879	376,443	-	3,440,427
Charge for the year	121,128	28,317	46,184	26,987	1,701	55,816	-	280,133
Write off	-	(5,304)	(38,002)	-	-	-	-	(43,306)
At 31 March 2011/ 1 April 2011	1,720,418	248,459	841,807	424,731	9,580	432,259	-	3,677,254
Charge for the year	121,127	33,048	34,231	3,760	1,646	53,116	-	246,928
Write off	-	-	-	-	(256)	-	-	(256)
Disposal	-	-	(82)	-	-	-	-	(82)
At 31 March 2012	1,841,545	281,507	875,956	428,491	10,970	485,375	-	3,923,844

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Property, plant and equipment (continued)

Company	Long term leasehold land RM	Office equipment RM	Computer equipment RM	Renovation RM	Tools and equipment RM	Furniture and fittings RM	Construction in progress RM	Total RM
Carrying amounts								
At 1 April 2010	7,508,038	128,285	84,405	25,633	11,926	227,044	40,696	8,026,027
At 31 March 2011/ 1 April 2011	7,386,910	161,376	54,396	17,446	10,225	173,208	-	7,803,561
At 31 March 2012	7,265,783	134,833	33,136	13,686	8,435	121,288	-	7,577,161

4. Investment properties

Company	Buildings RM
Cost	
At 1 April 2010	10,094,539
Additions	148,904
Reclassification	40,696
At 31 March 2011/1 April 2011/31 March 2012	10,284,139
Depreciation	
At 1 April 2010	2,629,455
Charge for the year	204,755
At 31 March 2011/1 April 2011	2,834,210
Charge for the year	205,683
At 31 March 2012	3,039,893
At 1 April 2010	7,465,084
At 31 March 2011/1 April 2011	7,449,929
At 31 March 2012	7,244,246

The Directors' estimation of the fair value of investment properties, by reference to market evidence of transaction prices for similar properties performed by an independent valuer is RM11,850,120 (2011: RM11,850,120). The estimation was performed on 15 April 2011. The Directors do not expect the value to fluctuate significantly since the last estimation made.

The buildings of the Company are located on the leasehold land as disclosed in Note 3.

The following are recognised in profit or loss in respect of investment properties:

	Company	
	2012 RM	2011 RM
Rental income	2,476,872	2,458,872
Direct operating expenses	418,931	355,856

5. Investments in subsidiaries

	Company 2012 RM	Company 2011 RM
Unquoted shares, at cost	11,300,002	11,300,002

The principal activities of the subsidiaries, all of which are incorporated in Malaysia, and the interest of the Company are as follows:

Name of subsidiary	Principal activities	Effective ownership interest 2012 %	Effective ownership interest 2011 %
Opcom Cables Sdn. Bhd.	Manufacture of fiber optic cables, systems and accessories	70	70
Opcom Niaga Sdn. Bhd.	General trading of fiber and other cable production materials and provision of engineering services	100	100
Opcom Shared Services Sdn. Bhd.	Provision of human resource management services	100	100

6. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2012 RM	Assets 2011 RM	Liabilities 2012 RM	Liabilities 2011 RM	Net 2012 RM	Net 2011 RM
Property, plant and equipment	-	-	(3,284,476)	(3,501,189)	(3,284,476)	(3,501,189)
Provisions	1,512,526	1,789,441	-	-	1,512,526	1,789,441
Inventories	184,671	59,097	-	-	184,671	59,097
Others	-	-	(146,230)	(177,201)	(146,230)	(177,201)
Tax assets/(liabilities)	1,697,197	1,848,538	(3,430,706)	(3,678,390)	(1,733,509)	(1,829,852)
Set off of tax	(1,694,193)	(1,845,534)	1,694,193	1,845,534	-	-
Net tax assets/(liabilities)	3,004	3,004	(1,736,513)	(1,832,856)	(1,733,509)	(1,829,852)

6. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

	At 01.04.2010 RM	Recognised in profit or loss (Note 13) RM	At 31.03.2011 RM	Recognised in profit or loss (Note 13) RM	At 31.03.2012 RM
Property, plant and equipment	(3,584,153)	82,964	(3,501,189)	216,713	(3,284,476)
Provisions	1,431,488	357,953	1,789,441	(276,915)	1,512,526
Inventories	23,569	35,501	59,097	125,574	184,671
Others	134,723	(311,924)	(177,201)	30,971	(146,230)
	(1,994,373)	164,494	(1,829,852)	96,343	(1,733,509)

	Company 2012 RM	2011 RM
Property, plant and equipment	(560,178)	(538,115)
Provisions	7,154	7,154
Net tax liabilities	(553,024)	(530,961)

Movement in temporary differences during the year

	At 01.04.2010 RM	Recognised in profit or loss (Note 13) RM	At 31.03.2011 RM	Recognised in profit or loss (Note13) RM	At 31.03.2012 RM
Property, plant and equipment	(494,865)	(43,250)	(538,115)	(22,063)	(560,178)
Provisions	37,325	(30,171)	7,154	-	7,154
	(457,540)	(73,421)	(530,961)	(22,063)	(553,024)

Deferred tax assets and liabilities are offset above when there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax relates to the same taxation authority.

7. Inventories

	Group 2012 RM	Group 2011 RM
Raw materials	5,517,777	9,128,103
Work-in-progress	755,817	849,533
Finished goods	10,813,160	4,991,330
	17,086,754	14,968,966
Recognised in profit or loss:		
Inventories recognised as cost of sales	80,668,477	88,055,660
Inventories written down	491,605	835,236

8. Trade and other receivables

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade					
Trade receivables	8.1	46,194,898	35,329,315	-	-
Non-trade					
Other receivables		252,830	120,468	18,794	32,161
Deposits		117,068	117,068	112,607	112,607
Prepayments		439,754	320,057	166,967	57,765
Amount due from affiliated companies	8.2	845	46,936	8,169	11,936
		810,497	604,529	306,537	214,469
		47,005,395	35,933,844	306,537	214,469

8.1 Trade receivables

Included in the Group’s trade receivables is an amount of RM13,170,988 (2011: RM12,959,219) that is a retention sum held by a customer of its subsidiary pursuant to the contract with the customer.

8.2 Amount due from affiliated companies

The non-trade amounts due from affiliated companies are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Cash and cash equivalents

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Deposits placed with licensed banks	35,190,609	64,183,121	8,800,000	8,600,000
Cash and bank balances	15,161,183	12,216,970	1,733,744	761,724
	50,351,792	76,400,091	10,533,744	9,361,724

Cash and cash equivalents of the Group denominated in currencies other than Ringgit Malaysia comprise RM7,754,327 (2011: RM8,971,247) and RM291,985 (2011: RM2,530,189) of cash and cash equivalents denominated in US Dollar and Euro respectively.

10. Share capital

	Group and Company			
	Number of shares 2012	Amount 2012 RM	Number of shares 2011	Amount 2011 RM
Ordinary shares of RM0.20 each Authorised	250,000,000	50,000,000	250,000,000	50,000,000
Issued and fully paid	129,000,000	25,800,000	129,000,000	25,800,000

11. Provisions

	Group 2012 RM	Group 2011 RM
Balance at 1 April 2011/2010	3,164,553	1,625,337
Provisions made during the year	1,821,065	1,539,216
Reversal during the year	(2,964,179)	-
Balance at 31 March 2012/2011	2,021,439	3,164,553

This represents provision for liquidated damages in respect of a sales contract undertaken by a subsidiary. The provision is recognised based on the terms stipulated in the contract.

12. Trade and other payables

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade					
Trade payables		10,001,932	13,137,336	-	-
Deferred income	12.1	7,406	7,406	497,406	497,406
Amount due to a corporate shareholder	12.2	10,063,420	9,506,232	-	-
Amount due to an affiliated company	12.3	8,855,688	6,230,734	6,000	7,000
Amount due to subsidiaries	12.4	-	-	108,217	119,360
		28,928,446	28,881,708	611,623	623,766
Non-trade					
Other payables		1,091,313	1,073,600	52,916	95,667
Accrued expenses		4,336,504	4,178,516	276,162	351,522
Amount due to a corporate shareholder	12.2	11,227,200	4,206,284	-	-
Amount due to an affiliated company	12.3	-	4,719,489	-	-
		16,655,017	14,177,889	329,078	447,189
		45,583,463	43,059,597	940,701	1,070,955

12.1 Deferred income

This mainly comprises of advance billing on management fees and rental to its subsidiaries by the Company.

12.2 Amount due to a corporate shareholder

The trade amount to the corporate shareholder of a subsidiary is subject to normal trade terms.

The non-trade amount is unsecured, interest free and repayable on demand.

12.3 Amount due to an affiliated company

The trade amount to an affiliated company is subject to the normal trade terms.

The non-trade amount is unsecured, interest free and repayable on demand.

12.4 Amount due to subsidiaries

The trade amounts due to subsidiaries are unsecured, interest free and subject to normal trade terms.

13. Results from operating activities

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Revenue				
- sale of cables	99,767,620	106,763,436	-	-
- sale of accessories	27,979,530	29,723,420	-	-
- rental income	88,872	70,872	2,476,872	2,458,872
- dividend income	-	-	33,375,740	5,161,840
- management fee	-	-	3,492,000	3,492,000
	127,836,022	136,557,728	39,344,612	11,112,712
Cost of sales	(85,912,222)	(91,424,529)	-	-
Cost of property maintenance and management	-	-	(3,123,819)	(3,083,971)
	(85,912,222)	(91,424,529)	(3,123,819)	(3,083,971)
Gross profit	41,923,800	45,133,199	36,220,793	8,028,741
Other operating income	1,292,213	2,403,673	337	-
Distribution costs	(2,335,717)	(4,865,977)	-	-
Administrative expenses	(6,141,052)	(6,301,224)	(988,011)	(1,473,015)
Other operating expenses	(446,109)	(402,777)	-	-
Results from operating activities	34,293,135	35,966,894	35,233,119	6,555,726
Results from operating activities is arrived at after crediting:				
Gain on disposal of property, plant and equipment	18,528	52,100	82	-
Gross dividends from subsidiaries	-	-	33,375,740	5,161,840
Realised gain on foreign exchange	866,688	1,460,553	-	-
Rental income on land and buildings	88,872	70,872	2,476,782	2,458,872
Unrealised gain on foreign exchange	-	441,729	-	-
Reversal for liquidated damages - net	1,143,114	-	-	-

13. Results from operating activities (continued)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
and after charging:				
Auditors' remuneration:				
Statutory audit				
- current year	71,520	58,070	30,740	18,300
- under/(over) provision in prior year	21,932	26,395	19,678	(9,000)
Other services				
- current year	12,000	7,000	-	7,000
- under/(over) provision in prior year	5,000	14,000	-	14,000
Depreciation				
- property, plant and equipment	2,876,358	2,868,347	246,928	280,133
- investment properties	-	-	205,682	204,755
Inventories written down	491,605	835,236	-	-
Investment property written off	-	-	-	-
Personnel expenses (including key management personnel):				
- contributions to EPF	748,101	1,001,210	3,376	40,498
- wages, salaries and others	7,293,367	8,803,631	220,590	480,196
Property, plant and equipment written off	45,771	9,724	144	2,362
Provision for liquidated damages	-	1,539,216	-	-
Rental of apartment	-	132,000	-	-
Rental of office	-	18,000	-	18,000
Research and development expensed as incurred	-	12,120	-	-
Unrealised loss on foreign exchange	192,338	-	-	-

14. Key management personnel compensation

The key management personnel compensation is as follows:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Directors:				
- fees	336,342	342,600	192,600	196,600
- remuneration	761,638	899,002	53,254	438,607
- other short term employees benefits	99,908	99,500	-	99,500
	1,197,888	1,341,102	245,854	734,707
Other key management personnel:				
- short term employee benefits	721,191	907,518	-	-
	1,919,079	2,248,620	245,854	734,707

Other key management personnel comprise persons other than the Directors of Company and its subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

15. Finance income

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Interest income of financial assets that are not at fair value through profit or loss	1,482,976	1,341,552	322,699	242,495

16. Income tax expense

Recognised in the profit or loss

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current tax expense				
Current year	9,234,162	9,663,762	3,034,802	1,764,561
Under/(Over) provision in prior year	147,108	220,056	29,971	(10,719)
	9,381,270	9,883,818	3,064,773	1,753,842
Deferred tax expense				
Origination and reversal of temporary differences	(96,249)	(179,587)	22,063	53,629
(Over)/Under in prior year	(94)	15,066	-	19,792
	(96,343)	(164,521)	22,063	73,421
	9,284,927	9,719,297	3,086,836	1,827,263
Reconciliation of effective tax expense				
Profit before tax	35,776,111	37,308,446	35,555,818	6,798,221
Tax calculated using Malaysian tax rates of 25%	8,944,028	9,327,112	8,888,955	1,699,555
Non-deductible expenses	276,873	258,392	39,211	115,437
Non-taxable income	-	-	(5,930,200)	-
Reinvestment allowance utilised	(141,981)	(101,329)	-	-
Other	58,899	-	58,899	3,198
	9,137,819	9,484,175	3,056,865	1,818,190
Under/(Over) provision in prior years				
- current tax expense	147,108	220,056	29,971	(10,719)
- deferred tax expense	-	15,066	-	19,792
	9,284,927	9,719,297	3,086,836	1,827,263

17. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2012 is based on the net profit attributable to owners of the Company of RM19,985,419 (2011: RM20,254,480) and the weighted average number of ordinary shares during the year of 129,000,000 (2011: 129,000,000).

No diluted earnings per share computation are required as there are no potential dilutive shares or options.

18. Dividends

Dividends recognised in the current year by the Company are:

Financial year 2012	Sen per share (net of tax)	Total amount RM	Date of payment
Interim 2012 ordinary - single tier	2.00	2,580,000	6 May 2011
Special interim 2012 ordinary - single tier	22.50	29,025,000	28 Sep 2011
		31,605,000	
Financial year 2011			
Interim 2011 ordinary - single tier	1.50	1,935,000	28 Apr 2010
Interim 2011 ordinary - single tier	1.50	1,935,000	26 Aug 2010
Interim 2011 ordinary - single tier	1.50	1,935,000	20 Dec 2010
		5,805,000	

19. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	Manufacturing and distribution of fiber optic cables and systems.
Trading and engineering services	General trading of fiber, accessories and other cable production materials and provision of engineering services.
Other operations	Management services and investment holding activities.

Segment information by geographical segments is not provided as the activities of the Group are located principally in Malaysia. Inter-segment pricing is determined based on negotiated terms.

Performance is measured based on segment revenue and profit before tax, interest and depreciation, as included in the internal management reports that are reviewed by the Group's Executive Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets, expenses and tax assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Operating segments (continued)

2012	Manufacturing RM	Trading and engineering services RM	Other operations RM	Total RM	Elimination RM	Consolidated RM
Segment profit	26,684,393	6,327,968	36,584,103	69,596,464	(33,820,353)	35,776,111
Included in the measure of segment profit are:						
Revenue from external customers	99,767,620	27,979,530	88,872	127,836,022	-	127,836,022
Inter-segment revenue	-	28,155,484	5,844,000	33,999,484	(33,999,484)	-
Inventories written down	(491,605)	-	-	-	-	(491,605)
Depreciation	(2,404,752)	(76,679)	(452,611)	(2,934,042)	57,684	(2,876,358)
Interest income	1,038,835	88,392	355,749	1,482,976	-	1,482,976
2011						
Segment profit	29,626,496	5,374,354	7,697,582	42,698,432	(5,389,986)	37,308,446
Included in the measure of segment profit are:						
Revenue from external customers	106,763,436	29,723,420	70,872	136,557,728	-	136,557,728
Inter-segment revenue	-	17,722,732	5,844,000	23,566,732	(23,566,732)	-
Inventories written down	(835,236)	-	-	(835,236)	-	(835,236)
Depreciation	(2,361,873)	(79,270)	(484,888)	(2,926,031)	57,684	(2,868,347)
Interest income	920,046	149,008	272,498	1,341,552	-	1,341,552

19. Operating segments (continued)

2012	Manufacturing RM	Trading and engineering services RM	Other operations RM	Total RM	Elimination RM	Consolidated RM
Segment assets	63,448,509	35,163,344	15,159,014	113,770,867	(17,968,509)	95,802,358
Unallocated assets	-	-	-	-	-	50,354,796
Total assets						146,157,154
Segment liabilities	44,365,526	18,651,391	1,144,932	64,161,849	(16,556,947)	47,604,902
Unallocated liabilities	-	-	-	-	-	4,142,420
Total liabilities						51,747,322
Capital expenditure	1,668,410	24,277	22,548	1,715,235	-	1,715,235
Depreciation	2,404,752	76,679	452,611	2,934,042	(57,684)	2,876,358
2011						
Segment assets	59,703,550	15,563,609	26,802,148	102,069,307	(18,231,974)	83,837,333
Unallocated assets	-	-	-	-	-	76,403,095
Total assets						160,240,428
Segment liabilities	38,538,272	12,336,836	1,314,065	52,189,173	(5,965,023)	46,224,150
Unallocated liabilities	-	-	-	-	-	4,139,630
Total liabilities						50,363,780
Capital expenditure	915,284	9,960	249,629	1,174,873	-	1,174,873
Depreciation	2,361,873	79,270	484,888	2,926,031	(57,684)	2,868,347

20. Financial instruments

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R); and
(b) Other financial liabilities measured at amortised cost (OL).

	2012 Carrying amount RM	2012 L&R/ (OL) RM	2011 Carrying amount RM	2011 L&R/ (OL) RM
Group				
Financial assets				
Trade and other receivables	46,448,573	46,448,573	35,496,720	35,496,720
Cash and cash equivalents	50,351,792	50,351,792	76,400,091	76,400,091
	96,800,365	96,800,365	111,896,811	111,896,811
Financial liabilities				
Trade and other payables	(45,576,057)	(45,576,057)	(43,052,191)	(43,052,191)
Company				
Financial assets				
Trade and other receivables	26,963	26,963	44,097	44,097
Cash and cash equivalents	10,533,744	10,533,744	9,361,724	9,361,724
	10,560,707	10,560,707	9,405,821	9,405,821
Financial liabilities				
Trade and other payables	(443,295)	(443,295)	(573,549)	(573,549)

20.2 Net gains and losses arising from financial instruments

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Net gains/(losses) arising on:				
Loans and receivables				
- Interest income	1,482,976	1,341,552	322,699	242,495
- Realised foreign exchange gain/(loss)	769,830	(214,893)	-	-
- Unrealised foreign exchange (loss)/gain	(231,722)	-	96,972	-
Net gains/(losses) arising on:				
Financial liabilities measured at amortised cost				
- Realised foreign exchange gain	96,858	1,675,446	-	-
- Unrealised foreign exchange gain	39,384	344,757	-	-

20. Financial instruments (continued)

20.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

20.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to its subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are required to be performed on customers requiring credit over a certain amount except for contractual customers in which their credit limits are according to contract terms.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

A significant portion of trade receivables are regular customers that have been transacting with the Group in the past. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The ageing of receivables as at the end of the reporting period was:

	Gross/Net	
	2012 RM	2011 RM
Not past due	45,614,592	35,311,309
Past due more than 90 days	580,306	18,006
	46,194,898	35,329,315

As at 31 March 2012, there was significant concentration of credit for the amount due from one (1) single customer, which represents approximately 98% (2011 - 98%) of total trade receivables. No impairment loss was recognised on the past due debts based on management's assessment of the current financial standing and the past payment trend of this customer.

Other financial assets

Risk management objectives, policies and processes for managing the risk

The Group's and Company's cash and cash equivalents are deposited with licensed banks and approved financial institutions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Financial instruments (continued)

20.4 Credit risk (continued)

Other financial assets (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities (mainly trade facility lines) granted to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM19.4 million (2011: RM19.0 million) representing the letter of credit and guarantee facilities utilised by its subsidiaries as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

20.5 Liquidity risk

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

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

Maturity analysis

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year
	RM	%	RM	RM
Group				
2012				
Trade and other payables	45,576,057	-	45,576,057	45,576,057
2011				
Trade and other payables	43,052,191	-	43,052,191	43,052,191
Company				
2012				
Trade and other payables	443,295	-	443,295	443,295
2011				
Trade and other payables	573,549	-	573,549	573,549

20. Financial instruments (continued)

20.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

20.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily U.S. Dollar (USD).

Risk management objectives, policies and processes for managing the risk

The Group does not hedge any trade receivables and trade payables denominated in foreign currency during the year. In respect of other monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group ensures that the net exposure is kept to an acceptable level.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in USD	
	2012	**2011**
	RM	**RM**
Group		
Trade receivables	-	4,585
Trade payables	(10,858,532)	(10,889,604)
	(10,858,532)	(10,885,019)

Currency risk sensitivity analysis

A 10% strengthening of the RM against the following currency at the end of the reporting period would have increased post-tax profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2012	**2011**
	RM	**RM**
Group		
USD	1,085,853	1,088,502

A 10% weakening of the RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

20. Financial instruments (continued)

20.6 Market risk (continued)

20.6.2 Interest rate risk

The Group and the Company invest in financial assets which are short term in nature to generate interest income.

Risk management objectives, policies and processes for managing the risk

The Group and the Company manages its interest rate risk by placing such balances on varying maturities and interest rate terms. The short term investments are not held for speculative purposes but are generally placed in fixed deposits. As such their exposure to the effects of future changes in the prevailing level of interest rate is limited.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed rate instruments				
Financial assets	41,551,792	64,183,121	8,800,000	8,600,000

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model, as applicable. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

20.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term payables approximate fair values due to the relatively short term nature of these financial instruments.

21. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Under the requirement of Bursa Malaysia ACE Market Guidance Note 3, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital. The Group has complied with this requirement.

22. Contingent liabilities - Company

Corporate guarantee

The Company has executed corporate guarantees in favour of licensed banks of up to RM52.0 million (2011: RM74.5 million) for banking facilities (mainly trade facility lines) granted to its subsidiaries.

23. Related parties

Identity of related parties

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its corporate shareholder, affiliated companies and Directors.

Significant transactions with related parties of the Group and the Company during the financial year, other than key management personnel compensation (see Note 14), are as follows:

Transactions with related parties during the financial year

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Affiliated companies				
Companies in which a Director of the Company and a Director of a subsidiary has interests:				
Rental income	6,000	6,000	6,000	6,000
Purchase of wireless broadband access	(2,600)	(28,800)	(2,600)	(28,800)
Company in which a Director of the Company and a subsidiary has interests:				
Rental expense	-	(150,000)	-	(18,000)
Company in which substantial shareholders of the Company and a Director of a subsidiary has interests:				
Rental income	36,000	18,000	36,000	18,000
Purchase of accessories	(24,492,391)	(24,115,596)	-	-
Corporate shareholder of a subsidiary company				
Purchases of cables	(13,263,635)	(11,761,971)	-	-
Sales of cables related products	329,985	481,048	-	-

23. Related parties (continued)

Transactions with related parties during the financial year (continued)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Subsidiary companies				
Rental income receivable	-	-	2,388,000	2,388,000
Gross dividend receivable	-	-	33,375,740	5,161,840
Management fees receivable	-	-	3,492,000	3,492,000
Administrative fee payable	-	-	(2,580,000)	(2,580,000)
Key management personnel (other than as disclosed in Note 14)				
Technical support fees/remote technical support fees	(20,491)	(336,247)	-	-

Balances with affiliated companies and corporate shareholder at end of reporting period are disclosed in Notes 8 and 12 to the financial statements.

These transactions have been entered into in the normal course of business.

24. Subsequent events

On 2 May 2012, a subsidiary has signed a RM82.3 million Variation Order to the existing RM359.6 million contract with Telekom Malaysia Berhad for the Supply, Delivery, Training and Support Services for Passive FTTH System.

25. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2012, into realised and unrealised profits, pursuant to the issuance of a directive by Bursa Malaysia Securities Berhad ("Bursa Malaysia") to all listed issuers pursuant to Paragraph 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirement, is as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
The retained profits of the Company and its subsidiaries				
- Realised	64,444,378	80,789,874	4,280,745	3,394,700
- Unrealised	(5,387,556)	(6,599,696)	(553,024)	(530,961)
	59,056,822	74,190,178	3,727,721	2,863,739
Less: Consolidation adjustments	(15,097,452)	(18,611,228)	-	-
Total group retained profits as per consolidated accounts	43,959,370	55,578,950	3,727,721	2,863,739

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 39 to 78 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 25 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Mokhzani Mahathir

Chhoa Kwang Hua

Petaling Jaya
Date: 15 June 2012

STATUTORY DECLARATION

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

I, Beh Si Yi, the Officer primarily responsible for the financial management of Opcom Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Petaling Jaya on 15 June 2012.

Beh Si Yi

Before me:

Pn Koh Twee Yong @
Koh Twee Siew
No.: B357
Commissioner for Oaths
Petaling Jaya, Selangor Darul Ehsan

INDEPENDENT AUDITORS' REPORT

to the members of Opcom Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Opcom Holdings Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 78.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of 31 March 2012 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 25 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysia Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

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

KPMG
Firm Number: AF 0758
Chartered Accountants

Abdullah Abu Samah
Approval Number: 2013/06/12(J)
Chartered Accountant

Petaling Jaya

Date: 15 June 2012

LIST OF PROPERTY

Location & Description	Existing Use	Tenure	Built Up Area	Age of Property	Book Value (RM'000)
HSD238315 Pt 787 Seksyen 15 Tapak Perusahaan Shah Alam, Bandar Shah Alam District of Petaling and State of Selangor being land bearing the address of No.11, Jalan Utas 15/7 40200 Shah Alam, Selangor Darul Ehsan	- Manufacturing block - Office building - Warehouses - Open storage yards - Car Parks - Guard House	99-year leasehold expiring on 18.04.2074	Land area:- 29,450 sq. m. Built-up area:- 9,145 sq. m.	Age of Manufacturing Block:- approximately 16 years Age of other building / structures:- more than 25 years	14,510

ANALYSIS OF SHAREHOLDINGS

as at 20 July 2012

Class of shares : Ordinary Shares of RM0.20 each

Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

Distribution Of Shareholdings

Size of holding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100	60	3.95	2,500	0.00
100 - 1,000	151	9.95	94,960	0.07
1,001 – 10,000	920	60.61	4,211,990	3.27
10,001– 100,000	322	21.21	9,945,450	7.71
100,001 to less than 5% of issued shares	61	4.02	22,682,600	17.58
5% and above of issued shares	4	0.26	92,062,500	71.37
Total	**1,518**	**100.00**	**129,000,000**	**100.00**

Thirty Largest Shareholders

Rank	Name	No. of Shares Held	% of Issued Share Capital
1	M Ocean Capital Sdn. Bhd.	34,752,500	26.94
2	Rezeki Tegas Sdn. Bhd.	27,000,000	20.93
3	EB Nominees (Tempatan) Sendirian Berhad *-Pledged Securities Account for Dato' Mukhriz Mahathir (KLM)*	23,310,000	18.07
4	Dato' Mukhriz Mahathir	7,000,000	5.43
5	Chan Ee Lin	5,245,000	4.07
6	Chhoa Kwang Hua	2,074,000	1.61
7	Neoh Choo Ee & Company, Sdn. Berhad	1,726,900	1.34
8	Tay Chong Kiat	1,209,300	0.94
9	Kam Lai Yong	849,300	0.66
10	Sierra Partners Sdn. Bhd.	717,000	0.56
11	Lt. Jen (B) Dato' Seri Panglima Zaini Bin Mohd Said	712,500	0.55
12	Maybank Nominees (Tempatan) Sdn. Bhd. *-Pledged Securities Account for Tung Kok Lam*	572,000	0.44
13	Abdul Jabbar Bin Abdul Majid	490,000	0.38
14	Mah Yong Sang	447,800	0.35
15	Tan Chee Siang	395,800	0.31
16	Tay Kak Chok	353,200	0.27
17	Maybank Nominees (Tempatan) Sdn. Bhd. *-Pledged Securities Account for Tang Sing Ling*	340,000	0.26
18	Mohamed Rashdan Bin Baba	300,000	0.23
19	Sven Janne Sjöden	280,000	0.22
20	Yeo Khee Huat	280,000	0.22
21	Chua Gaik Suwan	278,000	0.21
22	Wong Ng Shon	258,400	0.20

ANALYSIS OF SHAREHOLDINGS (continued)

Thirty Largest Shareholders (continued)

Rank	Name	No. of Shares Held	% of Issued Share Capital
23	Victor Lim Fung Tuang	239,400	0.18
24	Pui Cheng Tiong	221,500	0.17
25	Chhoa Kwang Hua	200,700	0.16
26	Ng Inn Jwee	200,000	0.15
27	On Thiam Chai	200,000	0.15
28	Quantumcap Sdn. Bhd.	181,500	0.14
29	Lui Ah Ngau @ Lui Win Soong	181,300	0.14
30	Yap Ching Chwan	180,000	0.14
Total		**110,196,100**	**85.42**

Substantial Shareholders (As per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%	Indirect	%
M Ocean Capital Sdn. Bhd.	34,752,500	26.94	-	-
Datin Norzieta Zakaria	-	-	34,752,500*	26.94
Rezeki Tegas Sdn. Bhd.	27,000,000	20.93	-	-
Ailida Binti Baharum	-	-	27,000,000*	20.93
Dato' Mukhriz Mahathir	30,310,000	23.50	-	-

* Deemed interest by virtue of Section 6A of the Companies Act, 1965

Directors' Shareholdings (As per register of directors' shareholdings)

	No. of Shares Held			
Name	Direct	%	Indirect	%
Chhoa Kwang Hua	2,274,700	1.76	-	-
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	712,500	0.55	-	-
Abdul Jabbar Bin Abdul Majid	490,000	0.38	-	-
Sven Janne Sjöden	280,000	0.22	-	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Company will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 19 September 2012 at 10.30 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2012 and the Reports of Directors and Auditors thereon. ***Ordinary Resolution 1***

2. To approve the payment of Directors' fees for the financial year ended 31 March 2012. ***Ordinary Resolution 2***

3. To re-elect the following Directors who retire pursuant to Article 127 of the Company's Articles of Association:-

   3.1 Lt. Jen (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said ***Ordinary Resolution 3***
   3.2 Tomio Alan Komatsu ***Ordinary Resolution 4***

4. To re-appoint Messrs KPMG as Auditors of the Company and authorise the Directors to determine their remuneration. ***Ordinary Resolution 5***

5. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH OPCOM SDN. BHD. GROUP AND ITS ASSOCIATED COMPANIES ***Ordinary Resolution 6***

   As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

   "**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Opcom Sdn. Bhd. Group and its associated companies as detailed in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

   THAT such approval will only continue in force until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

   (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

   (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

   whichever is earlier and the breakdown of the aggregate value of the Recurrent Related Party Transactions based on the type of recurrent transactions made and the names of the related parties involved will be disclosed in the annual report of the Company.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

THAT the estimates given on the recurrent related party transactions specified in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures set out in Part A, Section 1.5 of the Circular."

6. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH ERICSSON AB, SWEDEN GROUP AND ITS ASSOCIATED COMPANIES AND BIRLA ERICSSON OPTICAL LIMITED — ***Ordinary Resolution 7***

As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Ericsson AB, Sweden Group and its associated companies and Birla Ericsson Optical Limited as detailed in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier and the breakdown of the aggregate value of the Recurrent Related Party Transactions based on the type of recurrent transactions made and the names of the related parties involved will be disclosed in the annual report of the Company.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

THAT the estimates given on the recurrent related party transactions specified in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures set out in Part A, Section 1.5 of the Circular."

7. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH SAPURAKENCANA PETROLEUM BERHAD GROUP AND ITS ASSOCIATED COMPANIES

Ordinary Resolution 8

As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with SapuraKencana Petroleum Berhad Group and its associated companies as detailed in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier and the breakdown of the aggregate value of the Recurrent Related Party Transactions based on the type of recurrent transactions made and the names of the related parties involved will be disclosed in the annual report of the Company.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

THAT the estimates given on the recurrent related party transactions specified in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures set out in Part A, Section 1.5 of the Circular."

8. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AIRZED BROADBAND SDN. BHD. ***Ordinary Resolution 9***

As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Airzed Broadband Sdn. Bhd. as detailed in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier and the breakdown of the aggregate value of the Recurrent Related Party Transactions based on the type of recurrent transactions made and the names of the related parties involved will be disclosed in the annual report of the Company.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

THAT the estimates given on the recurrent related party transactions specified in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures set out in Part A, Section 1.5 of the Circular."

9. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH PERENNIAL RENAISSANCE SDN. BHD.

Ordinary Resolution 10

As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Perennial Renaissance Sdn. Bhd. as detailed in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier and the breakdown of the aggregate value of the Recurrent Related Party Transactions based on the type of recurrent transactions made and the names of the related parties involved will be disclosed in the annual report of the Company.

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

THAT the estimates given on the recurrent related party transactions specified in Part A, Section 1.4 of the Circular to Shareholders dated 27 August 2012 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures set out in Part A, Section 1.5 of the Circular."

NOTICE OF ANNUAL GENERAL MEETING (continued)

10. AUTHORITY TO ISSUE SHARES *Ordinary Resolution 11*

As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

"**THAT** subject always to the Companies Act, 1965 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes that the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being."

11. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY *Special Resolution 1*

As Special Business to consider and if thought fit, to pass the following Special Resolution, with or without modifications:-

"**THAT** the amendments to the Articles of Association of the Company in the manner detailed in Part B, Section 1 of the Circular to Shareholders dated 27 August 2012 be and are hereby approved."

12. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya
Date: 27 August 2012

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 10 September 2012 be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

6. Explanatory Notes on Special Business:

   Ordinary Resolutions 6 – 10
   Proposed Shareholders' Mandate for Recurrent Transactions

   The proposed Ordinary Resolutions 6-10, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

   Ordinary Resolution 11
   Authority to Issue Shares

   At last year's Annual General Meeting, mandate was given to Directors to issue and allot no more than 10% of the issued share capital of the Company. However, the mandate was not utilised and accordingly will lapse at the forthcoming Annual General Meeting. As such, the Board would like to seek for a renewal of the mandate.

   The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

   The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

   This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

   Special Resolution 1
   Proposed Amendments to the Articles of Association of the Company

   The proposed Amendments to the Articles of Association of the Company are made to incorporate and reflect the recent amendments made to the Bursa Malaysia Securities Berhad ACE Market Listing Requirements. Further information on the Proposed Amendments to the Articles of Association of the Company is set out in the Circular to Shareholders dated 27 August 2012 which is dispatched together with the Company's Annual Report 2012.

This page is intentionally left blank.

PROXY FORM

OPCOM HOLDING BERHAD
(322661-W) (INCORPORATED IN MALAYSIA)

I/We______________________________________NRIC/Co. No.____________________
(Full Name in Block Capitals)

of____
(Full Address)

being a member/members of **OPCOM HOLDINGS BERHAD** hereby appoint____________________

______________________________________NRIC No.____________________
(Full Name)

of____
(Full Address)

or failing him/her,______________________________NRIC No.____________________
(Full Name)

of____
(Full Address)

as my/our proxy to vote for me/us and if necessary to demand a poll at the Seventeenth Annual General Meeting of the Company which will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 19 September 2012 at 10.30 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion, as he will on any other matter arising at the Meeting.

Resolutions	For	Against
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Special Resolution 1		

Dated : ____________________

CDS Account No. : ____________________

No. of Shares Held : ____________________

____
Signature/Common Seal of Shareholder(s)

Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 10 September 2012 be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

1st fold here

Affix
Stamp

The Company Secretary

OPCOM HOLDINGS BERHAD
(Company No.322661-W)

802, 8th Floor, Block C
Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

2nd fold here

OPCOM HOLDINGS BERHAD 322661-W

11, Jalan Utas 15/7, 40200 Shah Alam,
Selangor Darul Ehsan, Malaysia.
T: +603 5519 5599 F: +603 5519 6063

www.opcom.com.my