



OPCOM HOLDINGS BERHAD 322661-W  
(INCORPORATED IN MALAYSIA)

# PROGRESSING WITH INNOVATION

Annual Report 2015



**Demand for data and video is fueling an increase in fiber optic services and has been enjoying great growth for the past decade. Only fiber, with its long reach, reliability, space savings, immunity to interference can deliver high quality services at even faster speeds.**



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# Vision

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An affordable broadband infrastructure for all Malaysians.

# Mission

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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

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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.

Our teams of highly motivated and committed employees have been able to realise their true potential in offering our customers the best products at the most competitive prices.

## Commitment

We are committed to our promises to clients and employees and their families.

## Community

OPCOM is a responsible corporate citizen towards creating significant national, economic and social impacts in ways that make a meaningful difference to people's lives.



# Corporate Information

## BOARD OF DIRECTORS

### Tan Sri Mokhzani Mahathir

Chairman  
Executive Director

### Chhoa Kwang Hua, Eric

Executive Director

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

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

Sven Janne Sjöden  
Chan Bee Lean

## NOMINATING & 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

Deloitte (AF 0080)

Level 16, Menara LGB

1 Jalan Wan Kadir

Taman Tun Dr. Ismail

60000 Kuala Lumpur

Tel : 03-7610 8888

Fax : 03-7726 8986

## 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)

B2-08 & B2-09

Ground Floor, Plaza Damas 3

Jalan Sri Hartamas 1

Desa Sri Hartamas

50480 Kuala Lumpur

Tel : 1-300-888-742

Fax : 03-6143 8863

## STOCK EXCHANGE LISTING

ACE Market

Bursa Malaysia Securities Berhad

## WEBSITE

[www.opcom.com.my](http://www.opcom.com.my)

# Corporate Structure

**70%**

**OPCOM CABLES SDN. BHD.**

(Company No. 322687-T)

Manufacturer of fiber optic cables, systems and accessories



**100%**

**OPCOM SHARED SERVICES SDN. BHD.**

(Company No. 665562-M)

Provision of human resources management services



**OPCOM HOLDINGS  
BERHAD**

(Company No. 322661-W)

Incorporated on 7 November 1994

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

**100%**

**OPCOM NIAGA SDN. BHD.**

(Company No. 442938-M)

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



**UNIGEL IP LIMITED**

(Company No. 2143521)

(Incorporated in Hong Kong)

Investment holding

**40%**

**40%**

**UNIGEL (UK) LIMITED**

(Company No. 03032651)

(Incorporated in United Kingdom)

Manufacturer and sales of cable filling and flooding compounds and associated pumping and delivery equipment

# Group Financial Highlights

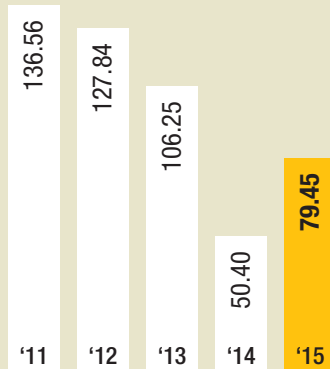
5-YEAR FINANCIAL TRACK RECORD

	2011	2012	2013	2014	2015
<b>OPERATING RESULTS (RM Million)</b>					
Revenue	136.56	127.84	106.25	50.40	<b>79.45</b>
Profit before taxation	37.31	35.67	22.10	3.37	<b>4.82</b>
Net profit attributable to owners of the Company	20.25	19.91	12.96	2.79	<b>4.44</b>
<b>KEY FINANCIAL POSITION DATA (RM Million)</b>					
Property, plant and equipment	32.93	38.52	37.18	38.33	<b>35.86</b>
Total assets	160.24	152.97	140.44	122.60	<b>135.04</b>
Share capital	25.80	25.80	25.80	25.80	<b>32.25</b>
Shareholders' funds	87.19	80.69	77.52	72.57	<b>77.23</b>
<b>SHARE INFORMATION</b>					
Per share (sen):					
Basic earnings	15.70	15.43	10.04	2.16	<b>2.75</b>
Net assets	67.59	62.55	60.09	56.26	<b>47.90</b>
Net dividend	4.50	24.50	12.50	6.00	<b>1.25</b>
<b>FINANCIAL RATIOS (%)</b>					
Return on total assets	17.22	17.27	11.97	2.16	<b>2.96</b>
Return on shareholders' equity	23.23	24.68	16.71	3.85	<b>5.75</b>

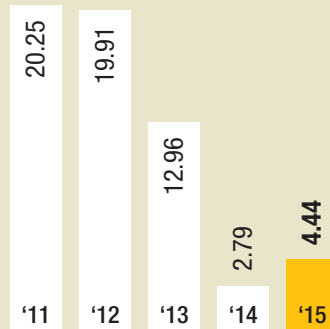


**Revenue**

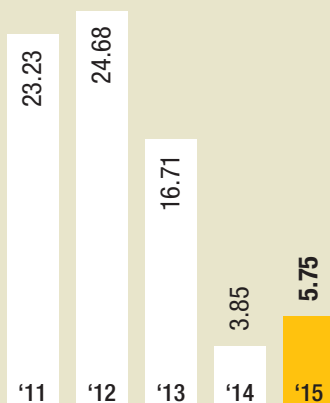
RM million

**Net Profit Attributable to Owners of the Company**

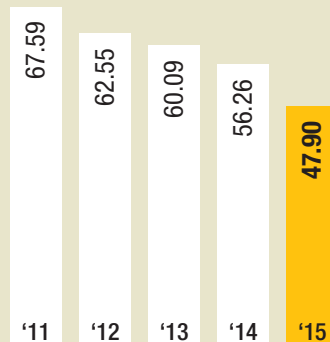
RM million

**Return on Shareholders' Equity**

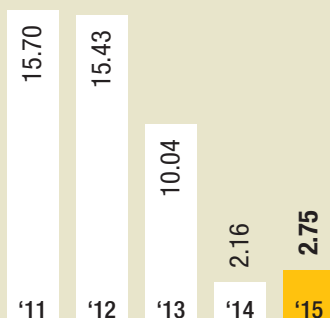
%

**Net Assets Per Share**

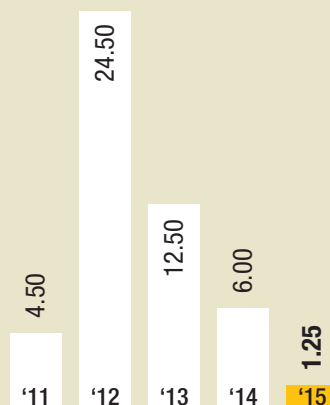
sen

**Basic Earnings Per Share**

sen

**Net Dividend Per Share**

sen



# Financial Calendar

## 29 Aug

Interim dividend payment of 1.25 sen per ordinary share, under single tier system in respect of the financial year ended 31 March 2015.

## 30 Aug

Extraordinary General Meeting held at Tropicana Golf & Country Resort, Petaling Jaya, Selangor Darul Ehsan.

## 1 Oct

Bonus issue of 32,249,937 new ordinary shares of RM0.20 on the basis of one (1) Bonus Share for every four (4) existing OPCOM shares.

2014

Aug

Sep

Oct

Nov

## 18 Sep

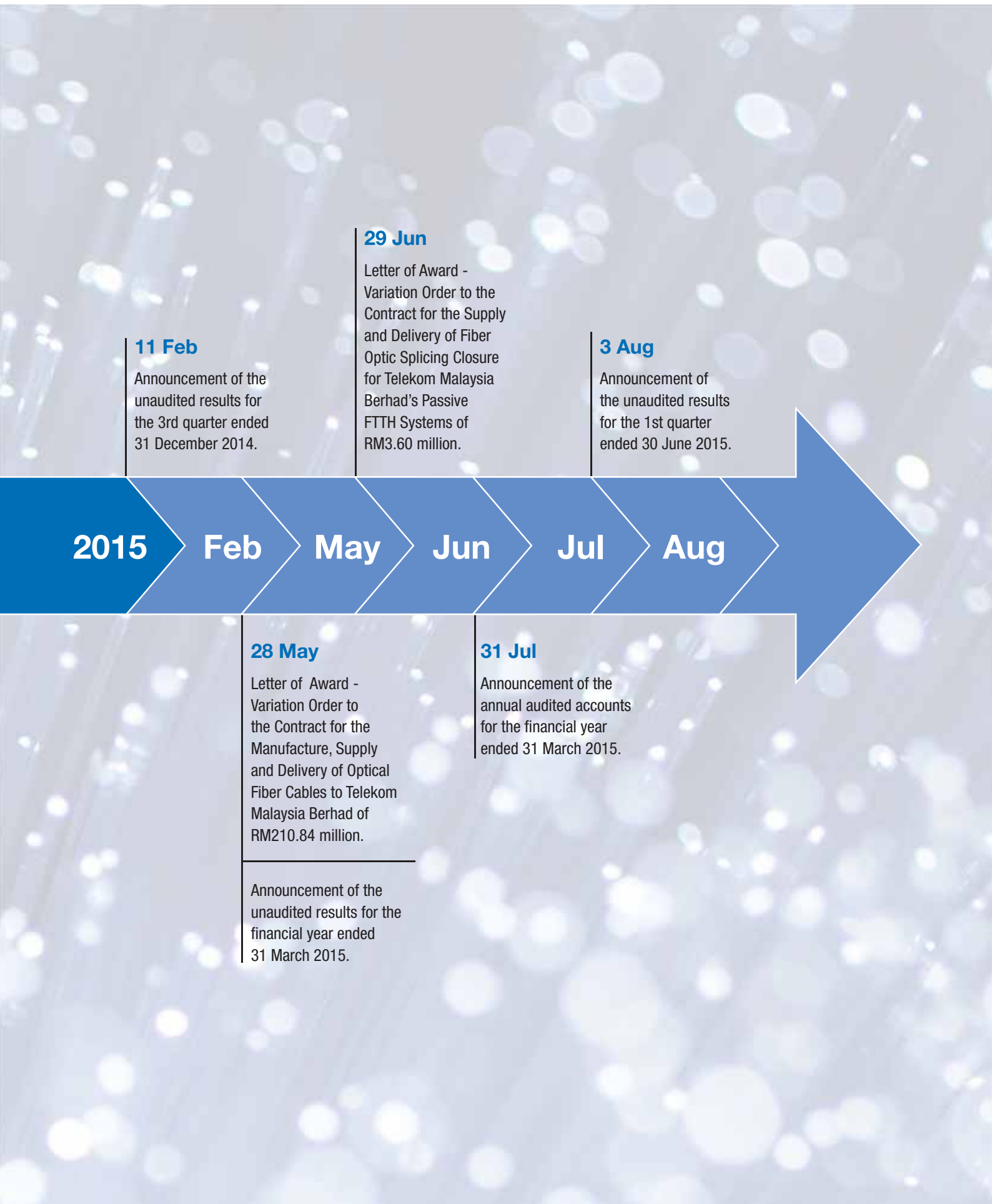
19th Annual General Meeting held at Tropicana Golf & Country Resort, Petaling Jaya, Selangor Darul Ehsan.

## 5 Nov

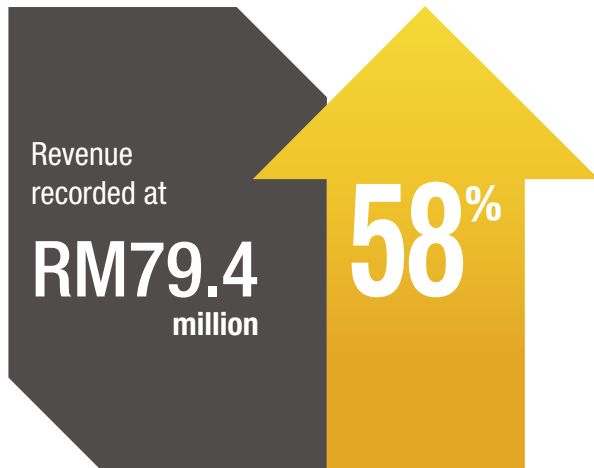
Announcement on the fulfilled conditions precedent in the Shares Purchase Agreement together with payment of the purchase consideration and exchange of documents, marking the completion of the acquisition of 40% equity interest in Unigel (UK) Limited by Opcom Niaga Sdn. Bhd., a wholly-owned subsidiary of Opcom Holdings Berhad.

## 26 Nov

Announcement of the unaudited results for the 2nd quarter ended 30 September 2014.







**Tan Sri Mokhzani Mahathir**  
*Chairman and Chief Executive Officer*

## CONTINUING THE JOURNEY TOGETHER

### **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 2015.

### **FINANCIAL PERFORMANCE**

The financial year 2015 was a challenging year for OPCOM Holdings Berhad ("OPCOM" or "Company") and its group of companies ("OPCOM Group"). Despite this outlook, the OPCOM Group financial results improved compared to previous financial year. Revenue increased by 57.6% to RM79.4 million while profit of the year was RM4.4 million, 59.1% higher than previous financial year. OPCOM Group recorded an Earnings Per Share (EPS) of 2.8 sen for the financial year ended 31 March 2015 compared to 2.2 sen in the previous financial year.

We remain focus on growing OPCOM Group business. We enforce tight controls on our cost and financial management to maximise business returns.

### **DIVIDENDS**

For the financial year ended 31 March 2015, an interim dividend of 1.25 sen per ordinary share, under the single tier system, totaling RM1,612,500, was declared on 14 July 2014 and paid on 29 August 2014.

OPCOM has declared and paid out a total of approximately RM90.8 million of dividends to our shareholders since its' listing on the stock exchange in year 2003. OPCOM takes a balanced approach to dividend payout, balancing between paying returns to shareholders and fulfilling OPCOM Group's working capital and business venture investments. OPCOM Group's ongoing business growth will require funds for capital expenditure programs, working capital and potential strategic initiatives.

# CHAIRMAN'S Statement



# RM1.8billion

Highspeed Broadband Phase 2 (HSBB2)

## INDUSTRY OUTLOOK AND PROSPECTS

### Fiber Optic Cables

The market demand for fiber optic cables is strong and we are seeing stable demand coming from our customers. The major broadband projects which have recently been rolled out by the Malaysian government are the RM1.8 billion Highspeed Broadband Phase 2 (HSBB2) and RM1.6 billion Sub Urban Broadband (SUBB). The HSBB2 and SUBB were awarded to our customer, Telekom Malaysia Berhad (TM) in February 2015. The objective of these projects is to strengthen access and domestic core networks to deliver end-to-end broadband network infrastructure and services. According to Malaysian Communications and Multimedia Commission (MCMC) Quarter 1, 2015 report, broadband penetration rate was 70.4% and the current penetration is still below the 75.0% target set by

the MCMC to be attained by year 2015. On a longer term, the target for broadband penetration is 95.0% by year 2020. New networks infrastructure and expansion are to be completed to increase the national broadband penetration. This, in turn, means we will see a constant and stable demand and growth for fiber optic cable and solutions.

The telecommunication companies including Packet One Network Sdn Bhd, Maxis Berhad and Digi Berhad are expanding their 4G LTE (Fourth Generation Long-Term Evolution) coverage which means continuous additional network infrastructure requirement and more demand for fiber optic cables. The emerging development of smart cities in strategic locations in Malaysia also add to more demand for fiber optic network infrastructure.

### Filling and Flooding Gel

During the financial year, OPCOM completed an acquisition of an associated company, Unigel (UK) Limited ("Unigel") which business is in manufacturing and supply of filling and flooding gel for industrial use mainly in fiber optic cable production. The increasing fiber optic cable production globally means increasing demand for the gel, especially from developing countries in Asia. OPCOM expects its investment in Unigel to bring positive contribution to OPCOM Group results.





## RESEARCH AND DEVELOPMENT (“R&D”)

Our R&D team has been improving and engineering new product designs to better meet customers’ specification and requirement as well as to improve OPCOM’s product competitiveness in the market. This is a joint effort with our customers.

Our customers are re-engineering their telecommunication network infrastructure in order to be more competitive, beating their competition in the delivery of broadband solution to their own customers. We work along with our customers and help them grow their telecommunications network in a cost efficient manner.

OPCOM will continue to build and nurture a strong R&D team and invest in process and product R&D.

## CORPORATE GOVERNANCE

Statement on Risk Management and Internal Control presented in this Annual Report affirms the OPCOM Board of Directors commitment in ensuring compliance with the Principles and Best Practices set out in the Malaysian Code on Corporate Governance. This 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 OPCOM 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 2015.



## "Responsible business leads to sustainable results"

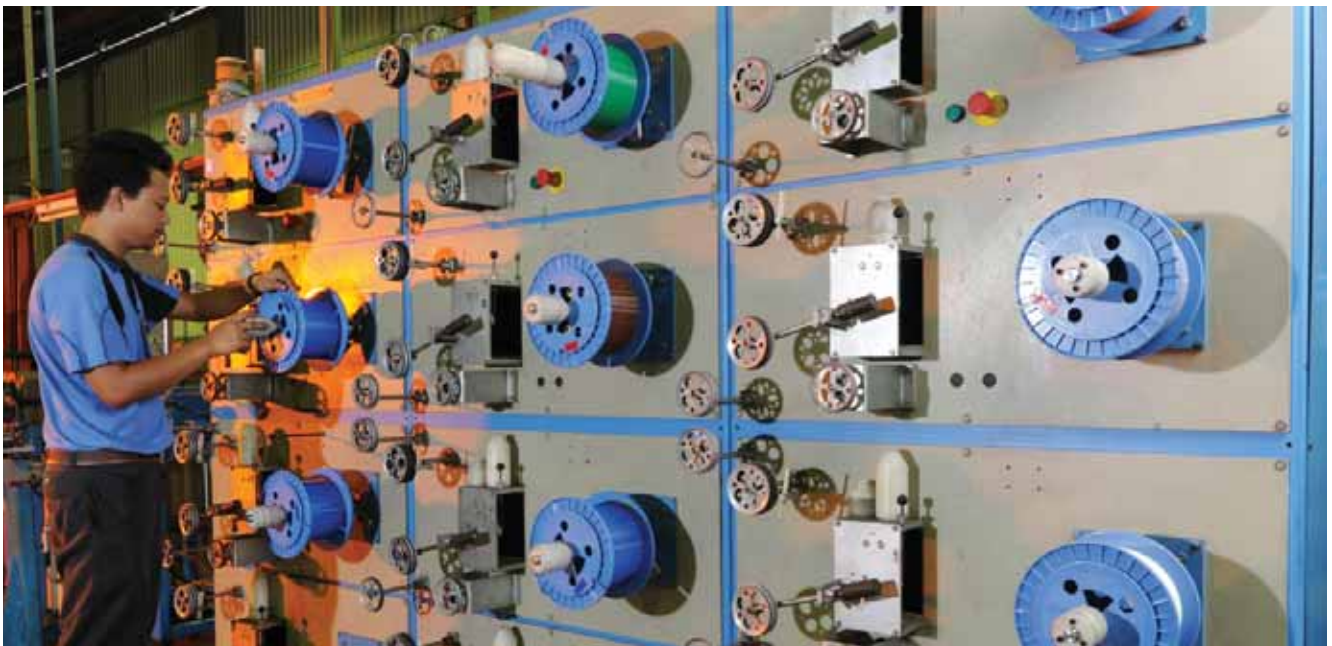
### CORPORATE SOCIAL RESPONSIBILITY

OPCOM is committed in delivering our social responsibilities through its primary business as we believe that responsible business leads to sustainable results.

We are committed to manufacture and deliver our products using environmentally sustainable and socially responsible methods. OPCOM's plant and operations adopt innovative ways to reduce our environmental impact and waste while ensuring quality and value to our customers and stakeholders demand. Our environmental management at the production plant is ISO14001 certified.

We positively impact society and local communities where we live and work through corporate philanthropy, employee giving and volunteerism, and corporate contribution of time and expertise.

As part of OPCOM's commitment in educating the younger generation, OPCOM invites students to a talk and visit its plant in Shah Alam every year. We invited Electronic & Electrical Engineering students from Politeknik Sultan Azlan Shah, Perak to our plant for an educational visit and talk on fiber optic technology and telecommunication. This year, we conducted new training courses in sharing fiber optic and manufacturing knowledge with lecturers from Pusat Latihan Pengajar and Kemahiran Lanjutan.





As part of OPCOM yearly events, OPCOM hosted Hari Raya Open House for orphanages from Institut Taufig Islami, Klang, Selangor Darul Ehsan, and made contributions of cash and daily necessities to the children. Health talks and campaigns were held at OPCOM premise which were aimed at creating health awareness and spread goodwill among its employees. A blood donation drive was jointly organized with University Malaya Medical Centre.

In early 2015, north-eastern Malaysia was hit with severe floods. OPCOM undertook a fund raising campaign, to donate cash to the public and helped employees affected by the floods.



#### ACKNOWLEDGEMENT AND APPRECIATION

On behalf of OPCOM Board of Directors, I would like to thank our customers, business partners and associates for their continued trust and confidence in us. Our heartfelt appreciation goes to our shareholders for their support and confidence in OPCOM.

I would like to also thank the management team and all employees for their contribution, dedication and commitment to drive OPCOM Group forward.

Last but not least, I would like to extend my appreciation to my fellow board members for their contribution and services.

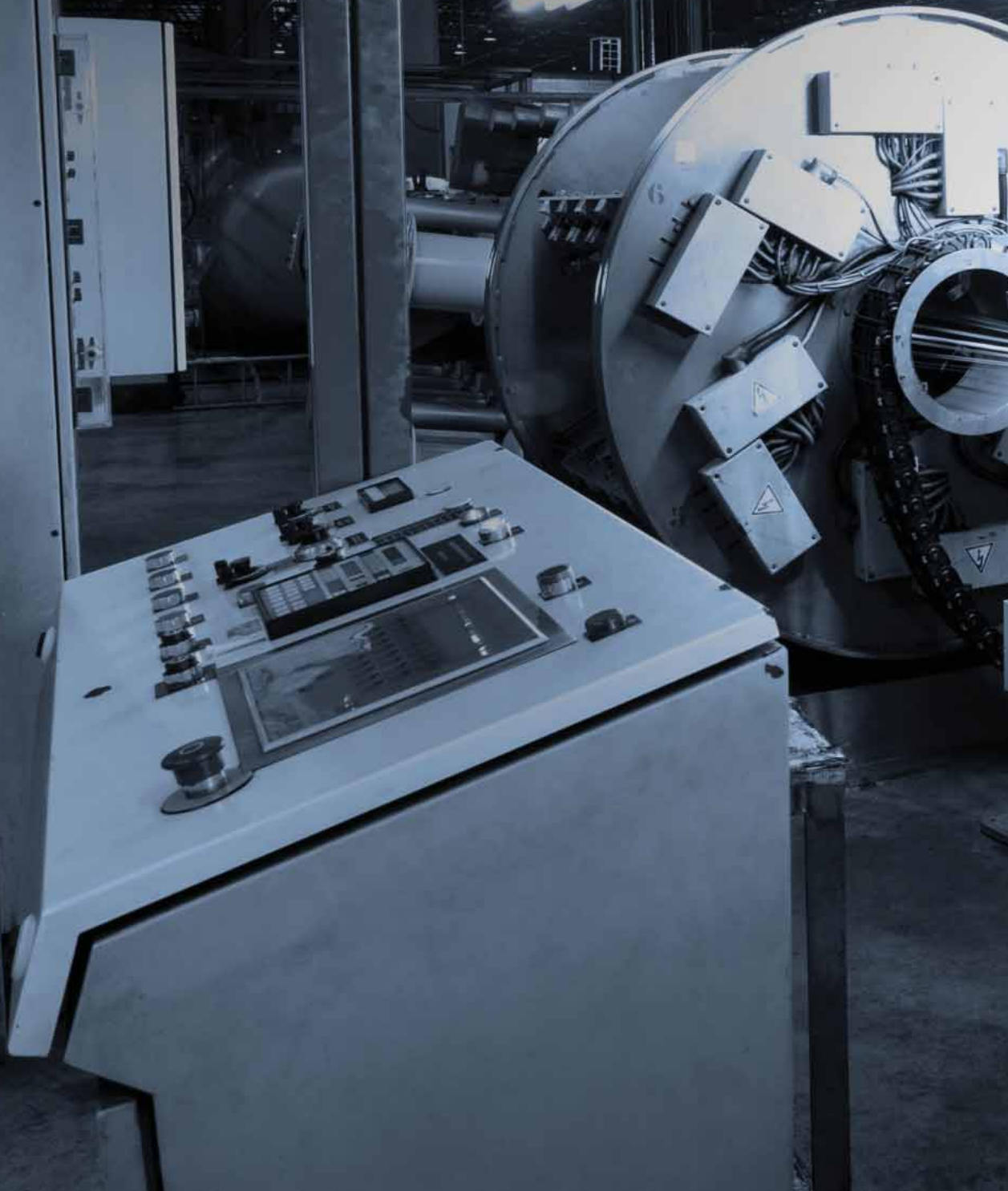
**Tan Sri Mokhzani Mahathir**

Chairman and Chief Executive Officer



# COMMITTED FOR GROWTH

Investing in people development has been embedded in our operational strategies for sustainable growth, focusing on key elements on talent enhancement and leadership skills.







# Board of DIRECTORS' PROFILE

## **TAN SRI MOKHZANI MAHATHIR**

Chairman  
Executive Director

Tan Sri Mokhzani Mahathir, a Malaysian, aged 54, was appointed as a Director of Opcom Holdings Berhad on 8 May 2009. He is also the Chairman and Chief Executive Officer of the Company.

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

He 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. He was also a founding member and had served as Non-Independent Non-Executive Director and Vice Chairman of SapuraKencana Petroleum Berhad, one of the world's largest oil and gas services companies until March 2015. Presently, he sits on the board of Maxis Berhad, Malaysia's premier telecommunications company.

He is the Chairman of Sepang International Circuit Sdn. Bhd., which hosts FIA Formula 1 World Championships and the FIM Motorcycle Grand Prix. He also sits on the board of Kencana Capital Sdn. Bhd. and several other private limited companies.

He is the brother of Dato' Seri Mukhriz Mahathir and brother-in-law of Tok Puan Norzieta Zakaria, who are both the major shareholders of the Company.





Mr Chhoa Kwang Hua, a Malaysian, aged 50, co-founded the Company with Dato' Seri 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.

With his many years of experience gained overseas in the financial and telecommunications business, he continues to contribute positively to Opcom Group's business operations. His involvement is primarily focused on the financial, strategy and business development areas of Opcom Group.

**CHHOA KWANG HUA, ERIC**  
Executive Director



## Board of Directors' Profile



Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said, a Malaysian, aged 69, 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 Nominating & Remuneration Committee.

He was a career soldier, having served in the Malaysian Army for over thirty six (36) years beginning in 1965. 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.

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

Independent Non-Executive Director

**ABDUL JABBAR BIN ABDUL MAJID**

Independent Non-Executive Director

Encik Abdul Jabbar Bin Abdul Majid, a Malaysian, aged 70, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He serves as the Chairman of the Nominating & 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.

He has more than forty (40) years experience in accounting, audit, receivership, liquidation, financial advisory and consultancy. He is a director of 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.



## Board of Directors' Profile



### **SVEN JANNE SJÖDEN**

Independent Non-Executive  
Director

Mr Sven Janne Sjöden, a Swede, aged 70, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He is a member of the Audit Committee and Nominating & 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 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.



**CHAN BEE LEAN**

Independent Non-Executive  
Director



Ms Chan Bee Lean, a Malaysian, aged 44, 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 seventeen (17) years. She is currently the Group Internal Audit Manager of Merge Housing Sdn. Bhd. and its related companies.

*Notes:*

1. All directors except for Tan Sri Mokhzani Mahathir as disclosed, do not have any family relationship with any director and/or major shareholder of the Company.
2. All directors have no conflict of interest with the Company and have not been convicted for any offence within the past ten (10) years.

# Profiles of Senior MANAGEMENT



1

**TAN SRI MOKHZANI MAHATHIR** Chief Executive Officer

Profile set out on page 18.

2

**CHHOA KWANG HUA, ERIC** Deputy Chief Executive Officer

Profile set out on page 19.

3

**YUSREE PUTRA ALIAS** Chief Operating Officer

Encik Yusree Putra Alias, a Malaysian, aged 45, joined the Group in 1997. He earned a Diploma in Electrical Engineering (Electronics) from Universiti Teknologi 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 in 2010 and subsequently as Chief Operating Officer of Opcom Cables Sdn. Bhd. in 2014. As Chief Operating Officer, he assumes the day-to-day operational responsibilities at Opcom Cables Sdn. Bhd.

4

**LIM BEE KHIN** Chief Financial Officer

Ms Lim Bee Khin, a Malaysian, aged 42, joined the Group in April 2013. She earned a Bachelor of Business (Accounting) from Monash University, Australia. She is a member of the Malaysian Institute of Accountants (MIA). She was an auditor at KPMG Malaysia after her graduation. She had held several Finance and Accounts positions in the Group between 1997 to 2010 prior to rejoining the Group.

5

**AHMAD SABRI ABDUL MANAS** Project Development Director

Encik Ahmad Sabri Abdul Manas, a Malaysian, aged 52, joined the Group in 1995. He earned a Bachelor of Engineering (Mechanical) from University of Malaya, Kuala Lumpur in 1987. He has over eighteen (18) years experience in the fiber optic cable industry. Ahmad Sabri was responsible for the Technical function and subsequently with his array of experience, he assumes the Project Development function in the Group.

6

**ROHIZA HUSAIN** Plant Manager

Puan Rohiza Husain, a Malaysian, aged 46, joined the Group in 2011. She earned a Bachelor in Electrical Engineering from Gunma University, Japan in 1993. Rohiza has over nineteen (19) 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 management including manufacturing and engineering functions at Opcom Cables Sdn. Bhd.

7

**YEONG WAI YEE, SAMANTHA** Deputy General Manager – Supply Chain

Ms Samantha Yeong, a Malaysian, aged 34, joined the Group in 2012. She earned an Advanced Diploma in Business Administration from Institut Sarjana accredited by University of Oxford in 2000. She has many years of experience in purchasing and material planning. She is responsible for the procurement and supply chain function of the Group.

8

**KOO CHIEN FUI, JOHNNY** General Manager – Finance

Mr Johnny Koo, aged 40, joined the group in 2015 as General Manager of the Finance and Accounts function at Opcom Cables Sdn. Bhd. Trained as an engineer, he obtained his MBA (majoring in Financial Management) from the University of Western Australia in 2000. He has over fourteen (14) years of experience in the field of Finance and Accounts where he held managerial positions in various industries including property development, shipping and logistics, where he was involved in corporate finance, accounts and project management.





PROGUARD

CPCOM  
CABLES SDN BHD

CPCOM  
CABLES SDN BHD

MADE IN MALAYSIA  
NET WEIGHT  
GROSS WEIGHT  
DATE

ROLL THIS WAY





# FOCUSED ON INNOVATION

We continue to raise operational standards and improve on our productivity through innovation, keeping in tandem with market expectations.

# 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, undertakes additional measures, principles and recommendation embodied in the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) 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, Nominating and 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 Board Charter and Code of Conduct of the Board

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct of the Board provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligation during their appointment.

The Board Charter and Code of Conduct of the Board are made available for reference in the Company’s website, [www.opcom.com.my](http://www.opcom.com.my).

### 1.2 Composition and Balance of the Board

The Board has six (6) members comprising two (2) Executive Directors and four (4) Non-Executive Directors. All four (4) 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 18 to 23 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.

The Executive Directors takes on primary responsibility for managing the Group’s business operations and organisational effectiveness.

## 1. THE BOARD (CONT'D)

### 1.3 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
Tan Sri Mokhzani Mahathir	4/4
Chhoa Kwang Hua	4/4
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	4/4
Abdul Jabbar Bin Abdul Majid	4/4
Sven Janne Sjöden	4/4
Chan Bee Lean	4/4

### 1.4 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.

### 1.5 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:-

- 2015 Post Tensioning Institute Convention
- Masterclass in Digital Forensics
- Operations and Market Risk Masterclass
- Kuala Lumpur Islamic Finance Forum Masterclass 8 Workshop – Sukuk Structuring and Issuing

# Corporate Governance Statement

## 1. THE BOARD (CONT'D)

### 1.5 Training (Cont'd)

- 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 Functionality
- Accounting for GST - Preparing System Changes and Tax Code Usages
- Director Breakfast Series - Great Companies Deserves Great Board

### 1.6 Appointment and Re-election

With the recommendation of MCCG 2012 in regard to the setting up of a nominating committee and the amendments to the Listing Requirements in line with the MCG 2012, the Board had on 30 May 2013 established a Nominating and Remuneration Committee (“NRC”), combined the role of both the nominating committee and the previous remuneration committee into one (1) committee given the current size of the Board.

The NRC, which comprises wholly of Non-Executive and Independent Directors are as follows:-

**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 NRC is empowered by the Board through clear defined terms of reference to oversee amongst others, reviewing the Board composition and making recommendations to the Board for appointments of new Directors by evaluating and assessing the suitability of candidates as Board member or Board Committee member by giving due consideration to the required mix of skills, knowledge, expertise and experience, professionalism and integrity that the proposed Directors shall bring to the Board, reviewing the remuneration packages of the Executive Directors and Senior Management.

The NRC is also responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees, the performance of each existing Director and its Independent Directors.



## 1. THE BOARD (CONT'D)

### 1.6 Appointment and Re-election (Cont'd)

In accordance with the Company's Articles of Association, at every Annual General Meeting ("AGM") 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.

The director who is subject to re-election and/or re-appointment at the next AGM shall be assessed by the NRC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the NRC would be based on the yearly assessment conducted.

Criteria have been set to assess the independence of candidate for directors and existing directors based on the guidelines set out in the Listing Requirements. On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs. The MCGG 2012 recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years, however, the independent director may continue to serve on the board subject to board's justification as per the Listing Requirements.

The NRC had undertaken a review and assessment of the level of independence of the independent directors of the Board and based on the assessment, the Board is satisfied with the level of independency demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgment. Therefore, it has determined at the assessment carried out that Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Abdul Jabbar Bin Abdul Majid, who both have served the Board for more than nine (9) years, remain objective and independent in expressing their views and in participating in deliberation and decision making of the Board and Board Committees. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of Opcom Group. Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Abdul Jabbar Bin Abdul Majid have been demonstrably independent in carrying out their roles as members of the Board and Board Committees, notably in fulfilling their roles as Chairman of the Audit Committee and NRC.

The Board has a strong commitment to increasing the representation of women and people from cultural and linguistically diverse background. In addition, the Board support broad diversity principles across the full range of diversified groups of people. The Group is committed to creating a supportive, flexible and fair work environment where difference among employees is respected. The aim is to provide a workplace that is free from all forms of discrimination and harassment and where all employees are given equal opportunities.

# Corporate Governance Statement

## 1. THE BOARD (CONT'D)

### 1.6 Appointment and Re-election (Cont'd)

The summary of the activities of the NRC during the financial year are as follows:

- Reviewed the mix of skill and experience and other qualities of the Board;
- Accessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- Discussed the Company Directors' retirement by rotation;
- Discussed the re-appointment of the Company's Independent Directors who have served the Company for more than nine (9) years;
- Reviewed the Company's Directors' meeting allowances; and
- Reviewed the Employment Contract of the Senior Management.

### 1.7 Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2015 is as follows:-

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)
Fees	66,000	114,000
Salaries	315,833	—
Allowances	85,750	48,000
Bonus	—	—
Benefits-in-kind	99,976	—
<b>Total</b>	<b>567,559</b>	<b>162,000</b>

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

Band of Remuneration	Executive Directors	Non-Executive Directors
Less than RM50,000.00	—	4
RM200,001.00 to RM250,000.00	—	—
RM250,001.00 to RM300,000.00	2	—
<b>Total</b>	<b>2</b>	<b>4</b>

## 1. THE BOARD (CONT'D)

### 1.7 Directors' Remuneration (Cont'd)

The determination of the remuneration of the Non-Executive Directors will be a matter to be determined by the Board as a whole on the recommendation of the Chairman and Executive Director. Non-Executive Directors receive a fixed annual fees, as applicable, and allowances for attending Board and Board committee meetings.

The Board has established a policy and procedure to facilitate the NRC to review, consider and recommend to the Board for decision the remuneration package of the Executive Director and Senior Management and is to be reviewed by the Board as required.

## 2. AUDIT COMMITTEE

As of financial year ended 31 March 2015, 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, risk management, 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](http://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.

The Board takes note of the recommendation by the MCGG 2012 on the adoption of electronic voting and encourage poll voting to facilitate greater shareholders' participation. The shareholders are informed of their rights to demand a poll vote prior to the commencement of general meeting and the Board will ensure that any vote of shareholders taken at the general meeting on the resolution approving related party transactions is taken on a poll. Announcement will also be made on the detailed results showing the number of votes cast for and against each resolution.



## Corporate Governance Statement

### 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.

#### 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.

#### 4. ACCOUNTABILITY AND AUDIT (CONT'D)

##### 4.3 Internal Control (Cont'd)

Currently, the Group does not maintain an Internal Audit Department but had outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn. Bhd., who reports directly to the Audit Committee, 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 RM50,000.00. The Statement on Risk Management and Internal Control furnished on pages 39 and 41 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 42 to 46 of the Annual Report.

#### 5. SUSTAINABILITY POLICY

The strategies to promote sustainability and its implementation can be found at the Company's website at [www.opcom.com.my](http://www.opcom.com.my).

#### 6. COMPLIANCE WITH THE MCCG 2012

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 during the financial year ended 31 March 2015.

#### 7. STATEMENT ON MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Group involving the directors' or major shareholders' interest during the financial year ended 31 March 2015.

#### 8. RISK MANAGEMENT COMMITTEE

Risk Management Committee holds monthly meetings. This Committee regularly reviews all risks including financial, operation and market risks and ensures 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.

## Corporate Governance Statement

### 9. RECURRENT RELATED PARTY TRANSACTION

The recurrent related party transactions of a revenue or trading nature of Opcom Holdings Berhad (“Opcom”) and its subsidiaries (“Opcom Group”) made during the financial year ended 31 March 2015 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”) Group and Associated Companies	Purchase of goods and services from OSB <ul style="list-style-type: none"> <li>Accessories and related training</li> <li>Business development commission</li> <li>Corporate and accounting expenses</li> <li>Motor vehicle expenses</li> </ul>	Tan Sri Mokhzani Mahathir <sup>a</sup> Dato’ Seri Mukhriz Mahathir <sup>b</sup> Tok Puan Norzieta Zakaria <sup>c</sup> Mirzan Mahathir <sup>d</sup> MOCSB <sup>e</sup>	4,441,650
	Letting of office space of 1,200 sq.ft. at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM225 per month to OSB		2,700
Ericsson AB (“EAB”)	Purchase of goods and services from EAB <ul style="list-style-type: none"> <li>Cable production materials</li> </ul>	ENT <sup>f</sup> EAB <sup>g</sup>	13,333
Airzed Broadband Sdn. Bhd. (“ABSB”)	Letting of Opcom’s open area of 4,895 sq.ft. at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan to ABSB at a monthly rental of RM1,500	Dato’ Seri Mukhriz Mahathir <sup>b</sup> Tok Puan Norzieta Zakaria <sup>c</sup> Mirzan Mahathir <sup>d</sup> MOCSB <sup>e</sup> Chhoa Kwang Hua <sup>h</sup> Chhoa Kuang Yaw <sup>i</sup>	18,000

## 9. RECURRENT RELATED PARTY TRANSACTION (CONT'D)

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate Value (RM)
Perennial Renaissance Sdn. Bhd. ("PRSB")	Renting of PRSB's office space at 1,000 sq.ft. at D-10-P2, Plaza Mont' Kiara, No.2 Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur at a monthly rental of RM3,000	Chhoa Kwang Hua <sup>h</sup>  Chhoa Kuang Yaw <sup>i</sup>	36,000
Unigel (UK) Limited ("UUK") Group and Associated Companies	Supply of goods and services to Unigel Group and its associated companies <ul style="list-style-type: none"> <li>All chemical including petroleum based products</li> </ul>	Chhoa Kwang Hua <sup>h</sup>  Unigel Limited <sup>j</sup>  Hikari <sup>k</sup>	11,411,280
	Purchase of goods and services from Unigel Group and associated companies <ul style="list-style-type: none"> <li>Cable related raw materials, components and other such related merchandise</li> </ul>		465,481



## Corporate Governance Statement

### 9. RECURRENT RELATED PARTY TRANSACTION (CONT'D)

Notes:

Nature of Interest

- <sup>a</sup> Tan Sri Mokhzani Mahathir is the Chairman/Chief Executive Officer of Opcom and Opcom Cables Sdn. Bhd. ("OCSB"). Tan Sri Mokhzani Mahathir is the brother of Dato' Seri Mukhriz Mahathir and Mirzan Mahathir. He is the brother-in-law of Tok Puan Norzieta Zakaria.
- <sup>b</sup> Dato' Seri Mukhriz Mahathir is a major shareholder of Opcom.
- <sup>c</sup> Tok Puan Norzieta Zakaria, the spouse of Dato' Seri 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") and OSB. She is also the major shareholder of ABSB.
- <sup>d</sup> Mirzan Mahathir, the brother of Tan Sri Mokhzani Mahathir and Dato' Seri Mukhriz Mahathir and the brother-in-law of Tok Puan Norzieta Zakaria is a director of OCSB and a shareholder of OSB. He is also a shareholder and director of MOCSB.
- <sup>e</sup> MOCSB is a major shareholder of Opcom.
- <sup>f</sup> Ericsson Network Technologies AB, Sweden ("ENT") is the major shareholder of OCSB.
- <sup>g</sup> EAB and ENT are controlled by a same parent company.
- <sup>h</sup> Chhoa Kwang Hua, the Executive Director/Deputy Chief Executive Officer of Opcom is a director of ONSB and OSSSB. He is also an alternate director to Tok Puan Norzieta Zakaria in OCSB. He is a director and major shareholder of PRSB, ABSB, Hikari Capital Limited ("Hikari") and Unigel Limited ("UL").
- <sup>i</sup> Chhoa Kuang Yaw, the brother of Chhoa Kwang Hua is a director of PRSB.
- <sup>j</sup> UL, a 60% shareholder of UUK.
- <sup>k</sup> Hikari is the holding company of UL.

# Statement on Risk Management & 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 risk management and internal control of the Group for the financial year ended 31 March 2015, which has been prepared in accordance with the “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers” (the “Guidelines”) issued 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 acknowledges that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The Board through its Audit Committee reviews the results of this process quarterly, including measures that have been carried out by management to mitigate and address the key risks areas. This process has been in place for the financial year under review and up to the date of approval of this Statement.

The Board affirms its overall responsibilities for maintaining a sound system of risk management and 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 Board through its Audit Committee, overlooks on the risk management framework. The Risk Management Committee, which comprise of Management and Head of Workgroups of the Company, met twelve (12) times during the financial year ended 31 March 2015, and carried out its duties in accordance with the Group’s Risk Management Policies and Procedures.

The Board acknowledges that maintaining a sound system of risk management is founded on a clear understanding and appreciation of the following key elements of the Group’s risk management framework:-

- A risk management structure which outlines the lines and responsibilities at different levels i.e. the Board, Audit Committee and Management;
- Identification of principal risks (present and potential) faced by operating workgroups in the Group and Management’s action plan to mitigate these risks;
- Risk appetite and parameters for the Group and respective workgroups have been articulated so as to gauge acceptability of risk exposure;
- Brainstorming of action plans to address risk and control issues on an on going basis.

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 profile and internal control system.

# Statement on Risk Management & Internal Control

## 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.

Deputy Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer assured that the current established framework of risk management system is based on the risk management framework adopted by the Company and is operating adequately and effectively. The results were presented by the Risk Management Committee to the Board. Additionally and separately, the Board is also of the view that the Internal Control system is adequate and effective based on the established Internal Control framework as reported by an independent outsourced internal audit service provider to the Audit Committee of the Board. The Board remains committed to ensuring a sound system of risk management and internal control and therefore recognises that the systems must continuously evolve to support growth and will take any appropriate action plans, when necessary, to further enhance the Company's system of risk management and internal control.

## OTHER KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM

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

- **Control Procedures**  
Group-wide policies and procedures are in place to facilitate communication and awareness of accountability 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 monitor and review the financial results and budgets for all business units within the Group on a monthly basis. The processes include monitoring and reporting of performance against the operating plans and annual budgets in operation committee meetings. The Group's management teams communicate on a monthly basis 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 2015.



# 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 : Chan Bee Lean**  
(Independent Non-Executive Director)

**Sven Janne Sjöden**  
(Independent Non-Executive Director)

## 2. ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2015

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

Name of Committee	Number of Meetings Attended*
Lt. Jen. (B) Dato’ Seri Panglima Zaini Bin Hj. Mohd Said	5/5
Chan Bee Lean	5/5
Sven Janne Sjöden	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 of the Company 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:-

1. 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.
2. Reviewed the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities is adequately covered.

### 3. SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

3. 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:
  - (i) significant and unusual events;
  - (ii) changes in or implementation of major accounting policy; and
  - (iii) compliance with accounting standards and other legal requirements.
4. 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.
5. Reviewed the policies, procedures and processes established for related party transactions.
6. Reviewed and approved the proposed final audit fees for the external auditors and internal auditors in respect of their audit of the Company and the Group.
7. Considered the appointment of the external auditors and renewal of internal audit engagement.
8. Met with the external auditors twice a year without the presence of any executive director and management personnel.
9. Reviewed the policies and procedures in the Financial Manual of Opcom Cables Sdn. Bhd.

### 4. INTERNAL AUDIT ACTIVITIES

The Internal Audit function of the Group has been outsourced to Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("Baker Tilly"), who reports directly to the Committee. Baker Tilly 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.

Baker Tilly has conducted on-going reviews of the adequacy and effectiveness of the internal control systems, 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")

There was no allocation of share option under the Company's ESOS during the financial year under review and the Company's ESOS had expired on April 2015.

# Audit Committee Report

## 6. TERMS OF REFERENCE

### 6.1 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.

### 6.2 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, to convene meetings with the external auditors and/or the internal auditors, excluding the attendance of other Directors and employees of the Group at least twice a year.

### 6.3 Functions and Duties

The functions of the Audit Committee are as follows:-

1. 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 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;
    - Management letter by the external auditors to the Group and the Management's response to such letter; and
    - to review and consider the change of external auditors of the Group or any company within the Group every three (3) to five (5) years cycle in order to retain the independent of amount review and opinion purposes.
  - 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.

## 6. TERMS OF REFERENCE (CONT'D)

### 6.3 Functions and Duties (Cont'd)

1. To review (Cont'd)
  - 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.
2. 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.
3. 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.
4. To promptly report to 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 Listing Requirements.
5. Relevant actions carried out by the Company shall be reported to the Board with such recommendations as the Committee deemed appropriate.

### 6.4 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.



## Audit Committee Report

### 6. TERMS OF REFERENCE (CONT'D)

#### 6.5 Procedure of Committee

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

- (a) The calling of meetings;
- (b) The notice to be given of such meetings;
- (c) The voting and proceedings of such meetings;
- (d) The keeping of minutes; and
- (e) The custody, production and inspection of such minutes.

#### 6.6 Secretary

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

# Financial Statements

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# Report of the Directors

The directors of **OPCOM HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is renting of buildings, provision of management services to its subsidiary companies and investment holding.

The principal activities of the subsidiary companies are disclosed in Note 13 to the financial statements.

During the financial year, the Group acquired Unigel (UK) Limited, a company incorporated in the United Kingdom. The principal activities of the associated companies are disclosed in Note 14 to the financial statements.

Other than as stated above, there have been no significant changes in the nature of the activities of the Company, its subsidiary companies and associated companies during the financial year.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	4,816,707	3,236,334
Income tax expense	(821,815)	(824,569)
Profit for the year	3,994,892	2,411,765
Profit attributable to:		
Owners of the Company	4,441,856	2,411,765
Non-controlling interests	(446,964)	—
	3,994,892	2,411,765

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company in respect of current financial year is as follows:

	RM
An interim single tier dividend of 1.25 sen per ordinary share paid on 29 August 2014	1,612,500

The directors do not recommend the payment of any final dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM25,800,000 to RM32,249,987 by issuance of 32,249,937 new ordinary shares of RM0.20 each pursuant to the bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary shares of RM0.20 each held, by capitalising RM5,811,530 and RM638,457 from the share premium account and retained earnings, respectively.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

## SHARE OPTIONS

No options have been granted by the Company to any parties during the current financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

## OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

- (a) which would require the writing off of bad debts or the setting up of allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.



## Report of the Directors

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

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

### DIRECTORS' INTERESTS

The shareholdings in the Company and in the related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM0.20 each			
	Balance as of 1.4.2014	Bought/ Bonus Issue	Sold	Balance as of 31.03.2015
<b>Shares in the Company</b>				
<b>Registered in the name of the directors</b>				
Chhoa Kwang Hua	2,179,100	544,775	(2,252,175)	471,700
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	812,500	203,125	(300,000)	715,625
Abdul Jabbar Bin Abdul Majid	500,000	125,000	—	625,000
Sven Janne Sjöden	280,000	70,000	(120,000)	230,000

By virtue of the above directors' interests in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiary companies to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during and at the beginning and end of the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of related party transactions as disclosed in Note 28 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**AUDITORS**

The auditors, Messrs. Deloitte, have indicated their willingness to continue in office.

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

**Tan Sri Mokhzani Mahathir**

**Chhoa Kwang Hua**

Petaling Jaya,  
19 June 2015

# Independent Auditors' Report

## to the members of Opcom Holdings Berhad (Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of **OPCOM HOLDINGS BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 March 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 105.

### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 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 the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity'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 entity'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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### Report on Other Legal and Regulatory Requirements

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

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies, have been properly kept in accordance with the provisions of the Act;
- (b) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company 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 as required by us for those purposes; and
- (c) the auditors' reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under section 174(3) of the Act.

**Other Reporting Responsibilities**

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with 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” as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of 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 towards any other person for the contents of this report.

The financial statements of the Group and the Company of the preceding financial year ended 31 March 2014 were audited by another firm of auditors whose report thereon dated 23 June 2014 expressed an unmodified opinion on those financial statements.

**DELOITTE**  
**AF 0080**  
**Chartered Accountants**

**Lai Can Yiew**  
**Partner - 2179/11/16 (J)**  
**Chartered Accountant**

19 June 2015

# Statements of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	5	<b>79,446,068</b>	50,402,149	<b>7,085,772</b>	13,682,072
Cost of sales	6	<b>(65,812,029)</b>	(42,428,884)	<b>(3,138,465)</b>	(3,096,105)
Gross profit		<b>13,634,039</b>	7,973,265	<b>3,947,307</b>	10,585,967
Other operating income		<b>679,520</b>	2,950,623	–	–
Interest income		<b>1,338,548</b>	1,578,035	<b>429,519</b>	403,158
Distribution costs		<b>(2,526,733)</b>	(1,605,565)	–	–
Administrative expenses		<b>(6,362,990)</b>	(5,936,629)	<b>(1,140,492)</b>	(1,007,448)
Other expenses		<b>(2,057,681)</b>	(1,587,267)	–	–
Finance costs		<b>(43,617)</b>	–	–	–
Share of results of associated companies	14	<b>155,621</b>	–	–	–
<b>Profit before tax</b>	7	<b>4,816,707</b>	3,372,462	<b>3,236,334</b>	9,981,677
Income tax expense	9	<b>(821,815)</b>	(723,772)	<b>(824,569)</b>	(565,181)
<b>Profit for the year</b>		<b>3,994,892</b>	2,648,690	<b>2,411,765</b>	9,416,496
<b>Other comprehensive income, net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>		–	–	–	–
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences		<b>1,832,843</b>	–	–	–
<b>Total comprehensive income for the year</b>		<b>5,827,735</b>	2,648,690	<b>2,411,765</b>	9,416,496
<b>Profit for the year attributable to:</b>					
Owners to the Company		<b>4,441,856</b>	2,791,193	<b>2,411,765</b>	9,416,496
Non-controlling interests		<b>(446,964)</b>	(142,503)	–	–
		<b>3,994,892</b>	2,648,690	<b>2,411,765</b>	9,416,496
<b>Total comprehensive income attributable to:</b>					
Owners to the Company		<b>6,274,699</b>	2,791,193	<b>2,411,765</b>	9,416,496
Non-controlling interests		<b>(446,964)</b>	(142,503)	–	–
		<b>5,827,735</b>	2,648,690	<b>2,411,765</b>	9,416,496
<b>Earnings per share</b>					
Basic (sen per share)	10	<b>2.8</b>	1.7		

The accompanying Notes form an integral part of the Financial Statements.



# Statements of Financial Position

AS OF 31 MARCH 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	11	<b>35,855,426</b>	38,325,999	<b>13,529,553</b>	13,787,329
Investment property	12	—	—	<b>6,627,197</b>	6,832,880
Investment in subsidiary companies	13	—	—	<b>13,700,002</b>	13,700,002
Investment in associated companies	14	<b>14,951,624</b>	—	—	—
Deferred tax assets	23	<b>390,723</b>	6,570	—	—
Total Non-Current Assets		<b>51,197,773</b>	38,332,569	<b>33,856,752</b>	34,320,211
<b>Current Assets</b>					
Inventories	15	<b>9,102,626</b>	14,532,153	—	—
Tax recoverable		<b>1,196,068</b>	1,232,987	—	—
Trade receivables	16	<b>11,510,119</b>	15,581,551	—	—
Other receivables and prepaid expenses	17	<b>777,151</b>	951,034	<b>249,161</b>	215,901
Amount owing by subsidiary companies	28	—	—	<b>4,846,123</b>	—
Amount owing by related party	28	<b>75,224</b>	3,411,306	<b>5,327</b>	5,361
Amount owing by associated companies	28	<b>11,724,865</b>	—	—	—
Derivative financial assets	18	—	29,810	—	—
Cash and cash equivalents	19	<b>49,456,842</b>	48,531,625	<b>12,353,047</b>	13,571,673
Total Current Assets		<b>83,842,895</b>	84,270,466	<b>17,453,658</b>	13,792,935
<b>Total Assets</b>		<b>135,040,668</b>	122,603,035	<b>51,310,410</b>	48,113,146

# Statements of Financial Position

AS OF 31 MARCH 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	20	<b>32,249,987</b>	25,800,000	<b>32,249,987</b>	25,800,000
Reserves	22	<b>44,982,191</b>	46,769,979	<b>11,955,317</b>	17,606,039
Equity attributable to owners of the Company		<b>77,232,178</b>	72,569,979	<b>44,205,304</b>	43,406,039
Non-controlling interests		<b>14,914,126</b>	15,361,090	–	–
<b>Total Equity</b>		<b>92,146,304</b>	87,931,069	<b>44,205,304</b>	43,406,039
<b>Non-Current Liability</b>					
Deferred tax liabilities	23	<b>1,947,077</b>	3,043,604	<b>2,183,379</b>	2,242,825
<b>Current Liabilities</b>					
Trade payables	24	<b>11,656,464</b>	10,759,037	–	–
Other payables and accrued expenses	25	<b>6,237,462</b>	1,996,679	<b>606,268</b>	507,935
Amount owing to subsidiary companies	28	–	–	<b>4,010,884</b>	1,669,753
Amount owing to related party	28	<b>3,680</b>	13,003	<b>1,575</b>	44,514
Amount owing to corporate shareholder of a subsidiary company	28	<b>15,450,393</b>	18,468,234	–	–
Bank borrowings (unsecured)	26	<b>6,670,926</b>	–	–	–
Tax liabilities		<b>730,415</b>	130,726	<b>303,000</b>	242,080
Provision for liquidated damages	27	<b>197,947</b>	260,683	–	–
<b>Total Current Liabilities</b>		<b>40,947,287</b>	31,628,362	<b>4,921,727</b>	2,464,282
<b>Total Liabilities</b>		<b>42,894,364</b>	34,671,966	<b>7,105,106</b>	4,707,107
<b>Total Equity and Liabilities</b>		<b>135,040,668</b>	122,603,035	<b>51,310,410</b>	48,113,146

The accompanying Notes form an integral part of the Financial Statements.

# Statements of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2015

## The Group

	Note	Non-distributable reserves -				Distributable reserves -			Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
		Share capital RM	Share premium RM	Capital reserve RM	Translation reserve RM	Retained earnings RM					
<b>Balance as of 1 April 2013</b>											
Total comprehensive income for the year		25,800,000	5,811,530	3,283	-	45,903,973			77,518,786	17,603,593	95,122,379
Dividends	21	-	-	-	-	2,791,193			2,791,193	(142,503)	2,648,690
Dividends paid to non-controlling interest of a subsidiary company		-	-	-	-	(7,740,000)			(7,740,000)	-	(7,740,000)
<b>Balance as of 31 March 2014</b>											
<hr/>											
<b>Balance as of 1 April 2014</b>											
Bonus issue	20	25,800,000	5,811,530	3,283	-	40,955,166			72,569,979	15,361,090	87,931,069
Other comprehensive income	20	6,449,987	(5,811,530)	-	-	(638,457)			-	-	-
		-	-	-	1,832,843	-			1,832,843	-	1,832,843
Profit for the year		-	-	-	-	4,441,856			4,441,856	(446,964)	3,994,892
<hr/>											
Total comprehensive income for the year		-	-	-	1,832,843	4,441,856			6,274,699	(446,964)	5,827,735
Dividends	21	-	-	-	-	(1,612,500)			(1,612,500)	-	(1,612,500)
<hr/>											
<b>Balance as of 31 March 2015</b>		<b>32,249,987</b>	<b>-</b>	<b>3,283</b>	<b>1,832,843</b>	<b>43,146,065</b>			<b>77,232,178</b>	<b>14,914,126</b>	<b>92,146,304</b>

# Statements of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2015

## The Company

	Note	Non-distributable reserves - Share capital RM	Share premium RM	Distributable reserves - Retained earnings RM	Total RM
<b>Balance as of 1 April 2013</b>		25,800,000	5,811,530	10,118,013	41,729,543
Total comprehensive income for the year		—	—	9,416,496	9,416,496
Dividends	21	—	—	(7,740,000)	(7,740,000)
<b>Balance as of 31 March 2014</b>		25,800,000	5,811,530	11,794,509	43,406,039
<b>Balance as of 1 April 2014</b>		25,800,000	5,811,530	11,794,509	43,406,039
Bonus issue	20	6,449,987	(5,811,530)	(638,457)	—
Total comprehensive income for the year		—	—	2,411,765	2,411,765
Dividends	21	—	—	(1,612,500)	(1,612,500)
<b>Balance as of 31 March 2015</b>		<b>32,249,987</b>	<b>—</b>	<b>11,955,317</b>	<b>44,205,304</b>

The accompanying Notes form an integral part of the Financial Statements.

# Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2015

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before tax	<b>4,816,707</b>	3,372,462	<b>3,236,334</b>	9,981,677
Adjustments for:				
Depreciation of property, plant and equipment	<b>2,639,237</b>	2,630,985	<b>278,640</b>	307,920
Unrealised loss on foreign exchange	<b>999,046</b>	84,942	—	—
Property, plant and equipment written off	<b>186,036</b>	5,397	—	853
Finance costs	<b>43,617</b>	—	—	—
Inventories written down to net realisable value	<b>32,819</b>	3,550	—	—
Allowance for inventories obsolescence/(Allowance for inventories obsolescence no longer required)	<b>22,565</b>	(193,789)	—	—
Interest income	<b>(1,338,548)</b>	(1,578,035)	<b>(429,519)</b>	(403,158)
Share of results of associated companies	<b>(155,621)</b>	—	—	—
Provision for liquidated damages no longer required (net)	<b>(62,736)</b>	(2,780,135)	—	—
(Gain)/Loss on disposal of property, plant and equipment	<b>(25,470)</b>	49	<b>(293)</b>	—
Fair value gain on derivative financial instruments	—	(29,810)	—	—
Depreciation of investment property	—	—	<b>205,683</b>	205,683
Dividend income	—	—	—	(7,740,000)
<b>Operating Profit Before Working Capital Changes</b>	<b>7,157,652</b>	1,515,616	<b>3,290,845</b>	2,352,975
(Increase)/Decrease in:				
Inventories	<b>5,374,143</b>	1,827,303	—	—
Trade receivables	<b>4,148,516</b>	9,508,502	—	—
Other receivables and prepaid expenses	<b>184,355</b>	643,853	<b>(33,260)</b>	(15,820)
Amount owing by subsidiary companies	—	—	<b>(4,846,123)</b>	43,468
Amount owing by related party	<b>3,336,082</b>	(3,394,285)	<b>34</b>	11,660
Amount owing by associated companies	<b>(10,323,188)</b>	—	—	—
(Decrease)/Increase in:				
Trade payables	<b>(1,109,872)</b>	1,409,652	—	—
Other payables and accrued expenses	<b>914,376</b>	(4,540,218)	<b>98,333</b>	102,580
Amount owing to subsidiary companies	—	—	<b>2,341,131</b>	1,669,753
Amount owing to related party	<b>(9,572)</b>	(3,155,259)	<b>(42,939)</b>	(451,242)
Amount owing to corporate shareholder of a subsidiary company	<b>(17,841)</b>	(4,534,575)	—	—
<b>Cash From/(Used In) Operations</b>	<b>9,654,651</b>	(719,411)	<b>808,021</b>	3,713,374
Income tax refunded	<b>239,802</b>	386,205	—	—
Income tax paid	<b>(1,943,088)</b>	(2,158,616)	<b>(823,095)</b>	(504,378)
Liquidated damages paid	—	(58,756)	—	—
<b>Net Cash From/(Used In) Operating Activities</b>	<b>7,951,365</b>	(2,550,578)	<b>(15,074)</b>	3,208,996



# Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2015

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(400,168)	(3,783,156)	(20,865)	(20,980)
Proceeds from disposal of property, plant and equipment	79,291	869	294	–
Increase in fixed deposits pledged with licensed banks	–	–	–	(2,400,000)
Interest received	1,338,548	1,578,035	429,519	403,158
Acquisition of investment in associated companies (Note)	(9,388,772)	–	–	–
Dividend received	–	–	–	7,740,000
Net Cash (Used In)/From Investing Activities	(8,371,101)	(2,204,252)	408,948	5,722,178
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Dividends paid	(1,612,500)	(7,740,000)	(1,612,500)	(7,740,000)
Proceeds from bank borrowings	5,881,979	–	–	–
Finance costs paid	(43,617)	–	–	–
Repayment to corporate shareholder of a subsidiary company	(3,000,000)	–	–	–
Net Cash From/(Used In) Financing Activities	1,225,862	(7,740,000)	(1,612,500)	(7,740,000)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>806,126</b>	<b>(12,494,830)</b>	<b>(1,218,626)</b>	<b>1,191,174</b>
Effect of exchange rate fluctuations on cash held	119,091	154,368	–	–
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>48,531,625</b>	<b>60,872,087</b>	<b>13,571,673</b>	<b>12,380,499</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 19)</b>	<b>49,456,842</b>	<b>48,531,625</b>	<b>12,353,047</b>	<b>13,571,673</b>

Note: Details of acquisition of investment in associated companies (Note 14) are as follows:

	2015 RM	2014 RM
By cash	9,388,772	–
Contingent consideration payable	3,657,360	–
	13,046,132	–

The accompanying Notes form an integral part of the Financial Statements.

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

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

The principal activity of the Company is renting of buildings, provision of management services to its subsidiary companies and investment holding.

The principal activities of the subsidiary companies are disclosed in Note 13.

During the financial year, the Group acquired Unigel (UK) Limited, a company incorporated in the United Kingdom. The principal activities of the associated companies are disclosed in Note 14.

Other than as stated above, there have been no significant changes in the nature of the activities of the Company, its subsidiary companies and associated companies during the financial year.

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 19 June 2015.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

### Adoption of new and revised MFRS

In the current year, the Group and the Company have adopted revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 April 2014 as follows:

Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements - Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting
IC Int. 21	Levies

The adoption of these Amendments have not affected the amounts reported in financial statements of the Group and of the Company.

# Notes to the Financial Statements

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### Standards and Amendments in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 9	Financial Instruments <sup>3</sup>
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception <sup>2</sup>
Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations <sup>1</sup>
MFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Amendments to MFRS 101	Disclosure Initiative <sup>1</sup>
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>
Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) <sup>1</sup>
Amendments to MFRS 127	Equity method in Separate Financial Statements <sup>2</sup>
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle <sup>1</sup>	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle <sup>1</sup>	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 – 2014 Cycle <sup>2</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018

The directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards will have no impact on the financial statements of the Group and the Company in the period of initial applications.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the basis of historical cost. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Basis of Accounting (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Valuation inputs (other than Level 1 input) that are based on observable market data for the asset or liability, whether directly or indirectly; and
- Level 3: Valuation that are not based on observable market data for the asset or liability.

#### Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

#### Subsidiary companies

Investments in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

## Notes to the Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Business Combinations

Acquisition of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Business Combinations (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

#### Investments in Associated Companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated companies are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associated company is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associated companies. When the Group's share of losses of an associated company exceeds the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

The Group's investment in associated companies includes goodwill identified on acquisition, is stated in the Group's financial statements at cost, less impairment losses.

The requirements of MFRS 139 applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associated company. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 139. The difference between the carrying amount of the associated company at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associated company is included in the determination of the gain or loss on disposal of the associated company. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company on the same basis as would be required if that associated company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company of the Group, profit or losses resulting from the transactions with the associated company are recognised in the Group's financial statements only to the extent of interests in the associated company that are not related to the Group.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) **Revenue from sales of goods**  
Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of the goods.
- (ii) **Services**  
Revenue from services rendered is recognised in profit or loss when services are rendered.
- (iii) **Dividend income**  
Dividend income from investments is recognised when the shareholder's right to receive payment has been 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 from investment property is recognised on a straight-line basis over the term of the lease.

### Foreign Currencies

#### (i) Functional and Presentation Currencies

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency, the currency of the primary economic environment in which the Group and the Company operate, except for Opcom Niaga Sdn. Bhd. ("ONSB"), the subsidiary company, which the functional currency is the United States of America Dollar ("USD").

In prior year, the financial statements of ONSB were presented in RM, which was the functional currency of ONSB. In the current financial year, the sales prices of goods and services are mainly denominated and settled in USD. The subsidiary company changed its functional currency to USD which would better reflect the primary economic environment in which the subsidiary company operates in the current year.

#### (ii) Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transactions. At end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

For the purpose of presenting financial statements, the assets and liabilities of the Group are translated to RM using the exchange rate prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate fluctuated significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences relating to the translation of the results and net assets of the Group from its functional currency to its presentation currency are recognised directly in other comprehensive income and classified under translation adjustment accounts.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Employee Benefits

##### (i) Short-term Employee Benefits

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

##### (ii) Defined Contribution Plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit and loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits including unutilised reinvestment allowances can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## Notes to the Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Income Taxes (Cont'd)

##### Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

#### Earnings per share

Basic earnings per share ("EPS") for the reporting period is calculated by dividing the profit for the reporting period attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the reporting period.

Diluted EPS for the reporting period is calculated by dividing the profit for the reporting period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period adjusted for the effects of dilutive potential ordinary shares.

#### Finance Lease

Leases in terms of which the Group and 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.

#### Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Repair and maintenance costs are recognised in comprehensive income as incurred.

Depreciation of property, plant and equipment is computed on the straight-line method to write off the cost of the various property, plant and equipment to their residual values over their estimated useful lives at the following rates:

Long-term leasehold land	64 years
Buildings	50 years
Motor vehicles	5 years
Office equipment	10 years
Computer equipment	4 years
Plant and machinery	15 years
Renovations	5 years
Tools and equipment	10 years
Furniture, fixtures and fittings	10 - 20 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Investment Property

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Investment properties 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 capitalised borrowing costs.

Investments properties are depreciated over the estimated economic useful life of 50 years at an annual rate 2%.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, include an appropriate portion of fixed and variable overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is determined based on the weighted average method.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.

#### Segment Reporting

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

#### Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

#### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation by the end of the reporting period, and are discounted to present value where the effect is material.

Provisions for estimated expenses related to policy and product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of claims. Revision to the provisions for estimated policy and products warranties is made when necessary, based on changes in these factors. The Group actively studies trends of claims and takes action to improve product quality and minimise claims.

At the end of each reporting period, provisions are reviewed by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.



## Notes to the Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial Instruments

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

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

#### (i) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### (a) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

#### (b) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial Instruments (Cont'd)

##### (i) Financial assets (Cont'd)

##### (c) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### (d) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

##### (e) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## Notes to the Financial Statements

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial Instruments (Cont'd)

##### (ii) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### (a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

##### (b) Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

##### (c) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### Critical judgements made in applying accounting policies

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

##### Recognition of deferred tax assets

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

##### Impairment of property, plant and equipment and investment property

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the property, plant and equipment and investment properties. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from these assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment and investment property of the Group as at 31 March 2015 are disclosed in Notes 11 and 12 respectively.

##### Allowance for slow-moving inventories and obsolescence

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

## Notes to the Financial Statements

### 5. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sales of cables	<b>42,629,729</b>	40,299,008	—	—
Sales of accessories	<b>7,434,869</b>	2,230,500	—	—
Sales of oil based industrial materials	<b>29,313,898</b>	7,810,569	—	—
Rental income from:				
Related parties (Note 28)	<b>18,000</b>	15,700	<b>18,000</b>	15,700
Subsidiary companies (Note 28)	—	—	<b>3,526,200</b>	2,388,000
Others	<b>49,572</b>	46,372	<b>49,572</b>	46,372
Dividend income from subsidiary companies (Note 28)	—	—	—	7,740,000
Management fee receivable from subsidiary companies (Note 28)	—	—	<b>3,492,000</b>	3,492,000
	<b>79,446,068</b>	50,402,149	<b>7,085,772</b>	13,682,072

### 6. COST OF SALES

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cost of cables and accessories	<b>35,380,734</b>	31,986,237	—	—
Purchase of oil based industrial materials	<b>28,741,186</b>	8,659,338	—	—
Cost of property maintenance and management	<b>1,690,109</b>	1,783,309	<b>3,138,465</b>	3,096,105
	<b>65,812,029</b>	42,428,884	<b>3,138,465</b>	3,096,105



## 7. PROFIT BEFORE TAX

Profit before tax is arrived at after the following charges/(credits):

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Employee benefits expense (Note 8)	<b>5,932,009</b>	6,059,656	<b>10,034</b>	21,369
Depreciation of property, plant and equipment (Note 11)	<b>2,639,237</b>	2,630,985	<b>278,640</b>	307,920
Loss/(Gain) on foreign exchange:				
Unrealised	<b>999,046</b>	84,942	—	—
Realised	<b>(507,136)</b>	181,185	—	—
Directors' remuneration:				
Salaries and other emoluments	<b>642,629</b>	773,944	<b>61,750</b>	55,750
Fees	<b>324,630</b>	314,644	<b>180,000</b>	171,450
Property, plant and equipment written off	<b>186,036</b>	5,397	—	853
Auditors' remuneration:				
Statutory	<b>103,000</b>	90,000	<b>45,000</b>	36,000
Non statutory	<b>28,000</b>	12,000	<b>28,000</b>	12,000
Finance cost:				
Interest expense on bank borrowings	<b>43,617</b>	—	—	—
Inventories written down to net realisable value	<b>32,819</b>	3,550	—	—
Allowance for inventories obsolescence/(Allowance for inventories obsolescence no longer required)	<b>22,565</b>	(193,789)	—	—
Interest income from:				
Deposits with licensed banks	<b>(1,275,731)</b>	(1,504,146)	<b>(429,519)</b>	(403,158)
Amount owing by associated companies (Note 28)	<b>(33,113)</b>	—	—	—
Others	<b>(29,704)</b>	—	—	—
Amount owing by related party (Note 28)	—	(73,889)	—	—
	<b>(1,338,548)</b>	(1,578,035)	<b>(429,519)</b>	(403,158)
Provision for liquidated damages no longer required (net)	<b>(62,736)</b>	(2,780,135)	—	—
Rental payable to related parties (Note 28):				
Motor vehicles	<b>(54,000)</b>	(54,000)	—	—
Office	<b>(33,000)</b>	(36,000)	<b>(33,000)</b>	(36,000)
(Gain)/loss on disposal of property, plant and equipment	<b>(25,470)</b>	49	<b>(293)</b>	—
Depreciation of investment property (Note 12)	—	—	<b>205,683</b>	205,683
Fair value gain on derivative financial instruments	—	(29,810)	—	—

## Notes to the Financial Statements

### 8. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Wages and salaries	4,200,832	4,596,139	—	—
Pension costs:				
Defined contribution plans	505,862	681,558	—	—
Social security costs	54,237	61,195	—	—
Other benefits	1,171,078	720,764	10,034	21,369
	<b>5,932,009</b>	<b>6,059,656</b>	<b>10,034</b>	<b>21,369</b>

The compensation of key management personnel, inclusive of directors' remuneration, are as follows:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and other emoluments	1,414,983	1,563,080	61,750	55,750
Fees	324,630	314,644	180,000	171,450
	<b>1,739,613</b>	<b>1,877,724</b>	<b>241,750</b>	<b>227,200</b>

### 9. INCOME TAX EXPENSE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Estimated tax payable:				
Current year	2,281,448	1,121,170	915,000	700,075
Under/(Over) provision in prior years	21,047	(299,766)	(30,985)	(201,287)
	<b>2,302,495</b>	<b>821,404</b>	<b>884,015</b>	<b>498,788</b>
Deferred tax (Note 23):				
Current year	(934,137)	(110,771)	(59,446)	10,813
Effect of changes in tax rates	—	(201,866)	—	(83,213)
(Over)/Underprovision in prior year	(546,543)	215,005	—	138,793
	<b>(1,480,680)</b>	<b>(97,632)</b>	<b>(59,446)</b>	<b>66,393</b>
Total	<b>821,815</b>	<b>723,772</b>	<b>824,569</b>	<b>565,181</b>

## 9. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	<b>4,816,707</b>	3,372,462	<b>3,236,334</b>	9,981,677
Tax expense at statutory tax rate of 25%	<b>1,204,177</b>	843,116	<b>809,084</b>	2,495,419
Tax effects of:				
Expenses that are not deductible for income tax purposes	<b>143,205</b>	167,283	<b>46,541</b>	150,469
Income that are not taxable for income tax purposes	<b>(71)</b>	–	<b>(71)</b>	(1,935,000)
Under/(Over) provision in prior years:				
Current tax	<b>21,047</b>	(299,766)	<b>(30,985)</b>	(201,287)
Deferred tax	<b>(546,543)</b>	215,005	–	138,793
Effect of changes in tax rates	–	(201,866)	–	(83,213)
	<b>821,815</b>	723,772	<b>824,569</b>	565,181

## 10. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share ("EPS") is for the reporting period is calculated by dividing the profit for the reporting period attributable to equity holders of the parent by weighted average number of ordinary shares outstanding during the reporting period.

	The Group	
	2015 RM	2014 RM
Profit for the year attributable to owners of the Company	<b>4,441,856</b>	2,791,193
Number of ordinary shares issue*	<b>161,249,937</b>	161,249,937
Basic EPS (sen)	<b>2.8</b>	1.7

\* The number of ordinary shares in issue in 2014 and 2015 have reflected the bonus issue of ordinary shares during current year.

### (b) Diluted earnings per share

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

# Notes to the Financial Statements

## 11. PROPERTY, PLANT AND EQUIPMENT

	Long-Term Leasehold Land RM	Buildings RM	Motor Vehicles RM	Office Equipment RM	Computer Equipment RM	Plant and Machinery RM	Renovations RM	Tools and Equipment RM	Furniture and Fittings RM	Total RM
<b>The Group</b>										
<b>Cost</b>										
At 1 April 2013	14,304,000	10,284,139	950,412	690,067	1,763,573	44,001,513	2,099,458	17,505	1,295,662	75,406,329
Additions	-	-	-	27,708	9,308	3,724,560	-	-	21,580	3,783,156
Disposals	-	-	-	-	(980)	-	-	-	-	(980)
Write-offs	-	-	-	(6,450)	(26,064)	(4,800)	-	-	(8,546)	(45,860)
At 31 March 2014/1 April 2014	14,304,000	10,284,139	950,412	711,325	1,745,837	47,721,273	2,099,458	17,505	1,308,696	79,142,645
Additions	-	-	-	51,817	15,462	307,043	16,417	-	9,429	400,168
Disposals	-	-	(140,408)	(9,192)	-	-	-	-	-	(149,600)
Write-offs	-	-	-	(8,560)	(126,352)	(1,837,832)	(55,937)	-	(50,714)	(2,079,395)
Currency translation differences	-	-	41,044	17,780	9,143	-	-	-	-	67,967
At 31 March 2015	14,304,000	10,284,139	851,048	763,170	1,644,090	46,190,484	2,059,938	17,505	1,267,411	77,381,785
<b>Accumulated Depreciation</b>										
At 1 April 2013	447,030	3,245,575	718,245	445,554	1,600,398	28,893,427	2,036,677	11,196	828,084	38,226,186
Depreciation charge for the year	223,571	205,683	142,976	55,726	71,963	1,828,941	21,998	1,340	78,787	2,630,985
Disposals	-	-	-	-	(62)	-	-	-	-	(62)
Write-offs	-	-	-	(5,151)	(26,050)	(3,439)	-	-	(5,823)	(40,463)
At 31 March 2014/1 April 2014	670,601	3,451,258	861,221	496,129	1,646,249	30,718,929	2,058,675	12,536	901,048	40,816,646
Depreciation charge for the year	223,572	205,683	35,076	52,573	60,200	1,982,695	21,914	1,340	56,184	2,639,237
Disposals	-	-	(86,588)	(9,191)	-	-	-	-	-	(95,779)
Write-offs	-	-	-	(7,631)	(125,822)	(1,670,767)	(55,937)	-	(33,202)	(1,893,359)
Currency translation differences	-	-	41,045	11,489	7,080	-	-	-	-	59,614
At 31 March 2015	894,173	3,656,941	850,754	543,369	1,587,707	31,030,857	2,024,652	13,876	924,030	41,526,359
<b>Net Book Value</b>										
At 31 March 2014	13,633,399	6,832,881	89,191	215,196	99,588	17,002,344	40,783	4,969	407,648	38,325,999
At 31 March 2015	13,409,827	6,627,198	294	219,801	56,383	15,159,627	35,286	3,629	343,381	35,855,426

**11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Long-Term Leasehold Land RM	Office Equipment RM	Computer Equipment RM	Renovations RM	Tools and Equipment RM	Furniture and Fittings RM	Total RM
<b>The Company</b>							
<b>Cost</b>							
At 1 April 2013	14,304,000	360,130	677,173	442,177	17,505	561,675	16,362,660
Additions	—	—	—	—	—	20,980	20,980
Write-offs	—	(2,680)	(26,064)	—	—	(3,031)	(31,775)
At 31 March 2014/ 1 April 2014	14,304,000	357,450	651,109	442,177	17,505	579,624	16,351,865
Additions	—	1,200	1,836	8,400	—	9,429	20,865
Write-offs	—	(9,192)	—	—	—	—	(9,192)
At 31 March 2015	<b>14,304,000</b>	<b>349,458</b>	<b>652,945</b>	<b>450,577</b>	<b>17,505</b>	<b>589,053</b>	<b>16,363,538</b>
<b>Accumulated Depreciation</b>							
At 1 April 2013	447,030	259,112	657,341	432,251	11,196	480,608	2,287,538
Depreciation charge for the year	223,571	28,331	10,009	3,760	1,340	40,909	307,920
Write-offs	—	(1,944)	(26,050)	—	—	(2,928)	(30,922)
At 31 March 2014/ 1 April 2014	670,601	285,499	641,300	436,011	12,536	518,589	2,564,536
Depreciation charge for the year	223,572	20,647	6,752	4,640	1,340	21,689	278,640
Write-offs	—	(9,191)	—	—	—	—	(9,191)
At 31 March 2015	<b>894,173</b>	<b>296,955</b>	<b>648,052</b>	<b>440,651</b>	<b>13,876</b>	<b>540,278</b>	<b>2,833,985</b>
<b>Net Book Value</b>							
At 31 March 2014	13,633,399	71,951	9,809	6,166	4,969	61,035	13,787,329
At 31 March 2015	<b>13,409,827</b>	<b>52,503</b>	<b>4,893</b>	<b>9,926</b>	<b>3,629</b>	<b>48,775</b>	<b>13,529,553</b>



## Notes to the Financial Statements

### 12. INVESTMENT PROPERTY

	The Company	
	2015	2014
	RM	RM
<b>Cost</b>		
At beginning of year	10,284,139	10,284,139
<b>Accumulated Depreciation</b>		
At beginning of year	3,451,259	3,245,576
Depreciation charge for the year	205,683	205,683
At end of year	3,656,942	3,451,259
<b>Net Book Value</b>		
At end of year	6,627,197	6,832,880

The buildings of the Company are located at the leasehold land as disclosed in Note 11.

Rental income earned by the Company from the investment property all of which are leased out under operating leases, amounted to RM3,593,772 (2014: RM2,450,072). Direct operating expenses incurred in respect of the investment properties during the financial year amounted to RM330,253 (2014: RM288,774).

Fair value of the investment property of the Company as at 31 March 2015 is estimated at RM17,130,000 (2014: RM17,130,000) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity.

The fair value of the Company's investment property is classified as a Level 3 for the purposes of fair value hierarchy disclosures.

Properties that are occupied by the subsidiary companies of the Company are accounted for as owner-occupied rather than as investment properties. As such, investment properties of the Company amounting to RM6,627,197 (2014: RM6,832,880), which are occupied by its subsidiary companies, have been reclassified as property, plant and equipment of the Group.

**13. INVESTMENT IN SUBSIDIARY COMPANIES**

	<b>The Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	<b>13,700,002</b>	13,700,002

Details of the Company's subsidiary companies as at the end of the reporting period are as follows:

<b>Name of subsidiary</b>	<b>Principal activity</b>	<b>Proportion of ownership interest</b>		<b>Place of incorporation</b>
		<b>2015</b>	<b>2014</b>	
		<b>%</b>	<b>%</b>	
Opcom Cables Sdn. Bhd. ("OCSB")	Manufacturer of fiber optic cables, systems and accessories	<b>70</b>	70	Malaysia
Opcom Niaga Sdn. Bhd.	General trading of fiber and other cable production materials and provision of engineering services	<b>100</b>	100	Malaysia
Opcom Shared Services Sdn. Bhd.	Provision of human resource management services	<b>100</b>	100	Malaysia

Information about the composition of the Group at the end of the reporting period is as follows:

<b>Principal activity</b>	<b>Place of incorporation and operation</b>	<b>Number of wholly-owned subsidiary companies</b>	
		<b>2015</b>	<b>2014</b>
Trading of fiber and other cable production materials and engineering services	Malaysia	<b>1</b>	1
Provision of human resource management services	Malaysia	<b>1</b>	1
		<b>2</b>	2

<b>Principal activity</b>	<b>Place of incorporation and operation</b>	<b>Number of non-wholly-owned subsidiary companies</b>	
Manufacturer of fiber optic cables, systems and accessories	Malaysia	<b>1</b>	1

## Notes to the Financial Statements

### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

#### Non-controlling interest in a subsidiary company

The Group's subsidiary company that has material non-controlling interest ("NCI") is as follows:

	2015 RM	2014 RM
<b>OCSB</b>		
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	14,914,126	15,361,090
Loss allocated to NCI	(446,964)	(142,503)
<b>Summarised financial information before intra-group elimination</b>		
<b>As of 31 March</b>		
Non-current assets	16,513,118	18,222,182
Current assets	60,520,664	63,411,205
Non-current liabilities	—	(869,037)
Current liabilities	(27,320,030)	(29,560,717)
Net assets	49,713,752	51,203,633
<b>Year ended 31 March</b>		
Revenue	50,064,598	41,464,354
Total comprehensive loss for the year	(1,489,881)	(475,012)
Cash flows from/(used in) operating activities	6,520,531	(3,556,484)
Cash flows from/(used in) investing activities	535,851	(2,658,293)
Cash flows used in financing activities	(3,000,000)	(4,900,000)
Net increase/(decrease) in cash and cash equivalents	4,056,382	(11,114,777)
Dividends paid to NCI	—	(2,100,000)

**14. INVESTMENT IN ASSOCIATED COMPANIES**

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
At beginning of year	—	—
Acquisition during the year	<b>13,046,132</b>	—
Currency translation differences	<b>1,749,871</b>	—
Share of post-acquisition reserve	<b>155,621</b>	—
At end of year	<b>14,951,624</b>	—

The cost of investment in associated companies includes goodwill of approximately RM7 million.

- (a) On 11 September 2014, the Group acquired Unigel IP Limited, a newly incorporated company in Hong Kong, for a cash consideration of USD1,253 (equivalent to RM4,199).
- (b) On 5 November 2014, the Group completed the acquisition of Unigel (UK) Limited, a company incorporated in the United Kingdom and its subsidiary company, Unigel Incorporated, a company incorporated in the United States of America, for a total consideration of USD3,675,388 (equivalent to RM12,001,980\*).

Pursuant to the Sale and Purchase agreement ("SPA"), the Group has set performance targets for Unigel (UK) Limited and its subsidiary company, Unigel Incorporated, for the subsequent twenty four (24) months after the completion of the SPA, as the purchase consideration. Subject to achieving the performance targets, the Group is required to pay second and final tranches, and is included in other payables and accrued expenses (Note 25) as follows:

	<b>Consideration payable USD</b>	<b>Equivalent in* RM</b>
Second tranche:		
Subject to meeting the first measurement target, after the first measurement period	520,000	1,698,060
Final tranche:		
Subject to meeting the second measurement target, after the second measurement period	600,000	1,959,300
	<b>1,120,000</b>	<b>3,657,360</b>

\* exchange rate used at date of acquisition was USD1 equivalent to RM3.2655.

No payment shall be made if the relevant measurement target is not met and where the profit before tax exceeds the relevant measurement target, only the consideration payable for the relevant measurement period as specified in the table above shall be payable.

## Notes to the Financial Statements

### 14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(c) Details of the Group's associated companies as at the end of the financial year are as follows:

Name of associated companies	Place of incorporation	Proportion of ownership interest		Principal activity
		2015 %	2014 %	
Direct				
Unigel IP Limited	Hong Kong	40	—	Investment holding
Unigel (UK) Limited	United Kingdom	40	—	Trading of thixotropic gel
Indirect				
Unigel Incorporated <sup>(i)</sup>	United States of America	40	—	Manufacturing of thixotropic gel

<sup>(i)</sup> Unigel Incorporated is a wholly-owned subsidiary of Unigel (UK) Limited.

- (d) All of the above associated companies are accounted for using the equity method in these financial statements.
- (e) Pursuant to Shareholder Agreement, the Group has the right to cast 40% of the votes at shareholder meetings of the associated companies.
- (f) The financial year end dates of the associated companies are 31 December. For the purposes of applying the equity method of accounting, the financial statements of associated companies for the year ended 31 December 2014 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2015.
- (g) Summarised financial information in respect of each of the Group's material associated companies is set as below.

#### Unigel (UK) Limited and its subsidiary company

	31.3.2015 RM	31.3.2014 RM
Current assets	22,245,013	N/A
Non-current assets	7,202,911	N/A
Current liabilities	(23,455,225)	N/A
Non-current liabilities	(927,838)	N/A

**14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)**

	<b>Period from 5.11.2014 (date of acquisition) to 31.3.2015 RM</b>	<b>2014 RM</b>
Revenue	<b>20,814,097</b>	N/A
Other comprehensive income	–	N/A
Profit for the period	<b>397,213</b>	N/A

- (h) Reconciliation of the above summarised financial information to the carrying amount of the interest in Unigel (UK) Limited and its subsidiary company recognised in the financial statements:

	<b>2015 RM</b>	<b>2014 RM</b>
Net assets of the associated companies	<b>5,064,861</b>	N/A
Proportion of the Company's ownership interest in Unigel (UK) Limited and its subsidiary company	<b>40%</b>	N/A
Carrying amount of the Company's interest in Unigel (UK) Limited and its subsidiary company	<b>2,025,944</b>	N/A

- (i) Aggregate information of Unigel IP Limited, that is not individually material:

	<b>Period from 11.9.2014 (date of acquisition) to 31.3.2015 RM</b>	<b>2014 RM</b>
The Company's share of loss for the period	<b>(3,264)</b>	N/A



## Notes to the Financial Statements

### 15. INVENTORIES

	The Group	
	2015	2014
	RM	RM
At cost:		
Raw materials	3,948,227	7,379,240
Work-in-progress	475,584	118,165
Finished goods	4,359,380	6,895,565
	<b>8,783,191</b>	14,392,970
At net realisable value:		
Raw materials	319,435	139,183
	<b>9,102,626</b>	14,532,153
Recognised in profit and loss:		
	The Group	
	2015	2014
	RM	RM
Cost of inventories recognised as expenses in cost of sales	25,289,917	24,045,591
Allowance for inventories obsolescence/(Allowance for inventories obsolescence no longer required)	22,565	(193,789)
Inventories written down to net realisable value	32,819	3,550

**16. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	<b>10,675,822</b>	15,385,677
Past due but not impaired	<b>834,297</b>	195,874
	<b>11,510,119</b>	15,581,551

Trade receivables are classified as loans and receivables and are therefore measured at amortised cost.

The Group's primary exposure to credit risk arises through its trade receivables. The credit terms granted to customers ranges from 30 to 120 days (2014: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Ageing of past due but not impaired

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
30 days to 60 days	<b>64,640</b>	97,937
60 days to 90 days	<b>95,547</b>	29,890
90 days to 120 days	<b>22,328</b>	68,047
>120 days	<b>651,782</b>	–
	<b>834,297</b>	195,874

The currency profile of trade receivables is as follows:

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	<b>651,782</b>	5,225,100
Euro	–	181,419
Ringgit Malaysia	<b>10,858,337</b>	10,175,032
	<b>11,510,119</b>	15,581,551

## Notes to the Financial Statements

### 17. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	181,428	186,144	79,656	27,815
Deposits	124,947	123,620	120,259	119,159
Prepaid expenses	470,776	641,270	49,246	68,927
	<b>777,151</b>	951,034	<b>249,161</b>	215,901

### 18. DERIVATIVE FINANCIAL ASSETS

	The Group	
	2015 RM	2014 RM
<b>At FVTPL</b>		
<b>Non-hedging derivative:</b>		
Current asset		
Forward currency contracts	—	29,810

The Group used forward currency contracts to manage its sales and purchases transactions exposure in the preceding financial year.

### 19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	3,956,842	3,498,754	553,047	771,673
Deposits with licensed banks	45,500,000	45,032,871	11,800,000	12,800,000
	<b>49,456,842</b>	48,531,625	<b>12,353,047</b>	13,571,673

The effective interest rates of deposits with licensed banks of the Group and of the Company at the end of the reporting period range from 3.05% to 3.70% (2014: 3.05% to 3.70%) per annum.

The average maturities of deposits with licensed banks of the Group and of the Company at the end of the reporting period range from 1 month to 3 months (2014: 1 month to 3 months).

**19. CASH AND CASH EQUIVALENTS (CONT'D)**

The currency exposure profile of cash and bank balances of the Group is as follows:

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	<b>48,413,752</b>	47,595,574
United States Dollar	<b>957,014</b>	276,192
Sterling Pound	<b>54,381</b>	29,041
Japanese Yen	<b>24,311</b>	24,911
Euro	<b>7,229</b>	605,770
Swiss Franc	<b>155</b>	137
	<b>49,456,842</b>	48,531,625

**20. SHARE CAPITAL**

	<b>The Group and the Company</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>No. of Shares</b>		<b>RM</b>	<b>RM</b>
<b>Authorised:</b>				
Ordinary shares of RM0.20 each	<b>250,000,000</b>	250,000,000	<b>50,000,000</b>	50,000,000
<b>Issued and fully paid:</b>				
Ordinary shares of RM0.20 each				
At beginning of year	<b>129,000,000</b>	129,000,000	<b>25,800,000</b>	25,800,000
Issued during the year	<b>32,249,937</b>	–	<b>6,449,987</b>	–
At end of year	<b>161,249,937</b>	129,000,000	<b>32,249,987</b>	25,800,000

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM25,800,000 to RM32,249,987 by issuance of 32,249,937 new ordinary shares of RM0.20 each pursuant to the bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary shares of RM0.20 each held, by capitalising RM5,811,530 and RM638,457 from the share premium account and retained earnings, respectively.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

## Notes to the Financial Statements

### 21. DIVIDENDS

	The Group and the Company	
	2015 RM	2014 RM
In respect of financial year ended 31 March 2015:		
Interim dividend of 1.25 sen per ordinary share under single-tier tax system	1,612,500	—
In respect of financial year ended 31 March 2014:		
Special interim dividend of 6.00 sen per ordinary share under single-tier tax system	—	7,740,000
	<b>1,612,500</b>	<b>7,740,000</b>

### 22. RESERVES

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>Non-distributable:</b>				
Translation reserve	1,832,843	—	—	—
Capital reserve	3,283	3,283	—	—
Share premium	—	5,811,530	—	5,811,530
<b>Distributable:</b>				
Retained earnings	43,146,065	40,955,166	11,955,317	11,794,509
	<b>44,982,191</b>	<b>46,769,979</b>	<b>11,955,317</b>	<b>17,606,039</b>

#### Translation reserve

The translation reserve comprises all foreign currency differences arising from translation of the financial statements of a subsidiary company.

#### Share premium

Share premium arose from the issuance of ordinary shares at a premium in prior years.

**23. DEFERRED TAX ASSETS/(LIABILITIES)****The Group  
2015****Deferred tax assets**

Provision for liquidated damages
Inventories
Others
Unabsorbed tax losses
Unabsorbed capital allowances
Unutilised reinvestment allowances

Opening balance RM	Recognised in profit or loss (Note 9) RM	Recognised in other comprehensive income RM	Closing balance RM
65,171	(15,684)	–	49,487
172,388	5,641	–	178,029
127,718	133,954	–	261,672
1,144,996	72,987	–	1,217,983
26,754	1,008,008	–	1,034,762
–	604,660	–	604,660
1,537,027	1,809,566	–	3,346,593

**Deferred tax liabilities**

Property, plant and equipment
Others

(4,488,227)	(412,334)	(2,386)	(4,902,947)
(85,834)	85,834	–	–
(4,574,061)	(326,500)	(2,386)	(4,902,947)
(3,037,034)	1,483,066	(2,386)	(1,556,354)

**The Group  
2014****Deferred tax assets**

Provision for liquidated damages
Inventories
Others
Unabsorbed tax losses
Unabsorbed capital allowances

1,688,701	(1,623,530)	–	65,171
172,388	–	–	172,388
98,259	29,459	–	127,718
–	1,144,996	–	1,144,996
26,754	–	–	26,754
1,986,102	(449,075)	–	1,537,027

**Deferred tax liabilities**

Property, plant and equipment
Others

(5,034,934)	546,707	–	(4,488,227)
(85,834)	–	–	(85,834)
(5,120,768)	546,707	–	(4,574,061)
(3,134,666)	97,632	–	(3,037,034)



## Notes to the Financial Statements

### 23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Opening balance RM	Recognised in profit or loss (Note 9) RM	Closing balance RM
<b>The Company</b>			
<b>2015</b>			
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(2,242,825)	59,446	(2,183,379)
<b>2014</b>			
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(2,176,432)	(66,393)	(2,242,825)

In accordance with the Finance Act (No. 2) 2014, the corporate income tax rate has been revised from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rate.

The following is an analysis of deferred tax balances (after offset) for statements of financial position purposes:

	<b>The Group</b>		<b>The Company</b>	
	<b>2015 RM</b>	<b>2014 RM</b>	<b>2015 RM</b>	<b>2014 RM</b>
Deferred tax assets	390,723	6,570	—	—
Deferred tax liabilities	(1,947,077)	(3,043,604)	(2,183,379)	(2,242,825)
	<b>(1,556,354)</b>	<b>(3,037,034)</b>	<b>(2,183,379)</b>	<b>(2,242,825)</b>

Unabsorbed tax losses, unabsorbed capital allowances and unutilised reinvestment allowances, are subject to agreement by the tax authorities.

**24. TRADE PAYABLES**

The normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

The currency profile of trade payables is as follows:

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	<b>10,028,944</b>	9,179,298
Ringgit Malaysia	<b>1,613,574</b>	1,572,486
Singapore Dollar	<b>13,946</b>	7,253
	<b>11,656,464</b>	10,759,037

**25. OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	<b>1,350,917</b>	1,217,018	<b>347,351</b>	246,877
Accrued expenses	<b>738,625</b>	779,661	<b>258,917</b>	261,058
Contingent consideration payable of USD1,120,000 in respect of investment in associated companies [Note 14(b)]	<b>4,147,920*</b>	—	—	—
	<b>6,237,462</b>	1,996,679	<b>606,268</b>	507,935

\* exchange rate used at the end of reporting period was USD1 equivalent to RM3.7035.

The currency profile of other payables and accrued expenses is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
United States Dollar	<b>4,157,170</b>	96,004	—	—
Ringgit Malaysia	<b>2,080,292</b>	1,900,675	<b>606,268</b>	507,935
	<b>6,237,462</b>	1,996,679	<b>606,268</b>	507,935

## Notes to the Financial Statements

### 26. BANK BORROWINGS (UNSECURED)

	The Group	
	2015	2014
	RM	RM
<b>Current - at amortised cost</b>		
Unsecured:		
Foreign currency trade facilities	<b>6,670,926</b>	—

As of the end of the reporting period, the Group has obtained foreign currency trade and other credit facilities amounting to RM12,000,000 (2014: RM Nil) from a local bank. These facilities are covered by a corporate guarantee from the Company and the average effective interest rate is 1.84% per annum (2014: Nil). The bank borrowings are denominated in United States Dollar.

### 27. PROVISION FOR LIQUIDATED DAMAGES

	The Group	
	2015	2014
	RM	RM
At beginning of year	<b>260,683</b>	3,099,574
Provision during the year	<b>215,255</b>	128,096
Reversal during the year	<b>(277,991)</b>	(2,908,231)
Utilised during the year	—	(58,756)
At end of year	<b>197,947</b>	260,683

Provision for liquidated damages is in respect of sales contracts undertaken by a subsidiary company and is recognised based on the terms stipulated in the contracts.

## 28. RELATED PARTY TRANSACTIONS AND BALANCES

Amount owing by/to subsidiary companies, which arose mainly from rental of premises receivable, management fee receivable and payments made on behalf, is unsecured, interest-free and repayable on demand.

Amount owing by related party, which arose mainly from trade transactions and payments made on behalf, is unsecured, interest-free and repayable on demand. In 2014, the amount owing by related party bore interest at 6% per annum.

Amount owing to related party, which arose mainly from trade transactions and payments made on behalf, is unsecured, interest-free and repayable on demand.

Amount owing to corporate shareholder of a subsidiary company, which arose mainly from trade transactions and dividend payable, is unsecured, interest-free and repayable on demand.

Amount owing to corporate shareholder of a subsidiary company consists of:

	<b>The Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Dividend payable	<b>15,415,200</b>	18,415,200
Trade in nature	<b>35,193</b>	53,034
	<b>15,450,393</b>	18,468,234

Amount owing by associated companies, which is denominated in United States Dollar, which arose mainly from trade transactions, is unsecured, bears interest ranging from 4.5% to 12% per annum (2014: Nil) and repayable on demand.

The related parties of the Company and subsidiary companies and its relationship are as follows:

<b>Related Parties</b>	<b>Nature of Relationship</b>
Ericsson Network Technologies AB ("Ericsson Network")	Ericsson Network is a corporate shareholder of Opcom Cables Sdn. Bhd., a subsidiary of the Company
Opcom Sdn. Bhd. ("OSB")	OSB has a common director with the Company
Airzed Broadband Sdn. Bhd. ("Airzed Broadband")	Airzed Broadband has a common director with the Company

## Notes to the Financial Statements

### 28. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

During the financial year, the Company has the following related party transactions which were determined based on negotiation agreed between the parties:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>Corporate shareholder of a subsidiary company:</b>				
Trade purchases	(13,333)	(969,761)	—	—
Waiver of royalty	—	3,225,250	—	—
<b>Associated companies</b>				
Trade sales	11,411,280	—	—	—
Interest income (Note 7)	33,113	—	—	—
<b>Related parties:</b>				
Rental income (Note 5)	18,000	15,700	18,000	15,700
Purchase of accessories	(3,345,705)	(7,943,662)	—	—
Business development commission payable	(729,945)	(1,110,115)	—	—
Accounting expenses payable	(217,576)	(216,000)	(114,000)	(114,000)
Corporate services expenses payable	(96,000)	(92,000)	(96,000)	(92,000)
Rental of motor vehicle payable (Note 7)	(54,000)	(54,000)	—	—
Rental of office payable (Note 7)	(33,000)	(36,000)	(33,000)	(36,000)
Trade sales	—	13,446,378	—	—
Interest income (Note 7)	—	73,889	—	—
<b>Subsidiary companies:</b>				
Rental income (Note 5)	—	—	3,526,200	2,388,000
Management fee (Note 5)	—	—	3,492,000	3,492,000
Administrative expenses payable	—	—	(2,580,000)	(2,580,000)
Dividend income (Note 5)	—	—	—	7,740,000

## 29. OPERATING SEGMENTS

The information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered or provided, as follows:

Manufacturing	Manufacture of fiber optic cables, systems and accessories.
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.

Information regarding the Group's reportable segments is presented as follows:

2015	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
<b>Segment revenue:</b>				
Revenue from external customers	50,064,598	29,313,898	67,572	79,446,068
<b>Segment profit:</b>				
Operating profit/(loss) for reportable segments	(3,054,361)	3,127,864	3,292,652	3,366,155
Interest income				1,338,548
Finance costs				(43,617)
Share of results of associated companies				155,621
Profit before tax				4,816,707
<b>Segment assets</b>				
Total segment assets				133,453,877
Unallocated				1,586,791
Consolidated total assets				135,040,668
<b>Segment liabilities</b>				
Total segment liabilities				40,216,872
Unallocated				2,677,492
Consolidated total liabilities				42,894,364
<b>Other segment information</b>				
Depreciation of property, plant and equipment	2,136,134	18,780	484,323	2,639,237
Provision for liquidated damages no longer required (net)	(62,736)	–	–	(62,736)
Capital expenditure:				
Property, plant and equipment	339,345	39,958	20,865	400,168
Investment in associated companies	–	9,388,772	–	9,388,772



## Notes to the Financial Statements

### 29. OPERATING SEGMENTS (CONT'D)

2014	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
<b>Segment revenue:</b>				
Revenue from external customers	41,464,355	8,875,722	62,072	50,402,149
<b>Segment profit:</b>				
Operating profit/(loss) for reportable segments	(6,840,595)	22,173	8,612,849	1,794,427
Interest income				1,578,035
Profit before tax				3,372,462
<b>Segment assets</b>				
Total segment assets				121,363,478
Unallocated				1,239,557
Consolidated total assets				122,603,035
<b>Segment liabilities</b>				
Total segment liabilities				31,497,636
Unallocated				3,174,330
Consolidated total liabilities				34,671,966
<b>Other segment information</b>				
Depreciation of property, plant and equipment	2,058,520	58,862	513,603	2,630,985
Provision for liquidated damages no longer required (net)	(2,780,135)	—	—	(2,780,135)
Capital expenditure: Property, plant and equipment	3,754,008	8,168	20,980	3,783,156

### 30. FINANCIAL INSTRUMENTS

#### Capital Risk Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The Group is not subject to any externally imposed capital requirements.

#### Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

	The Group	
	2015 RM	2014 RM
Debt	6,670,926	N/A
Equity	92,146,304	87,931,069
Debt to equity ratio	7%	N/A

Debt for the Group are defined as bank borrowings as disclosed in Note 26.

Equity for the Group includes capital and reserves that are managed as capital.

#### Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

#### Categories of financial instruments

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>Financial Assets</b>				
FVTPL:				
Derivative financial assets	—	29,810	—	—
Loans and receivables, at amortised cost:				
Trade receivables	11,510,119	15,581,551	—	—
Other receivables and deposits	306,375	309,764	199,915	146,974
Amount owing by related party	75,224	3,411,306	5,327	5,361
Amount owing by subsidiary companies	—	—	4,846,123	—
Amount owing by associated companies	11,724,865	—	—	—
Cash and cash equivalents	49,456,842	48,531,625	12,353,047	13,571,673

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### Categories of financial instruments (cont'd)

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
<b>Financial Liabilities</b>				
Other financial liabilities, at amortised cost:				
Trade payables	11,656,464	10,759,037	—	—
Other payables and accrued expenses	2,089,542	1,996,679	606,268	507,935
Amount owing to subsidiary companies	—	—	4,010,884	1,669,753
Amount owing to related party	3,680	13,003	1,575	44,514
Amount owing to corporate shareholder of a subsidiary company	15,450,393	18,468,234	—	—
Bank borrowings	6,670,926	—	—	—
Contingent consideration payable in respect of investment in associated companies	4,147,920	—	—	—

#### Financial risk management objectives and policies

The operations of the Group and the Company are subject to a variety of financial risks, including credit risk, interest risk, liquidity risk and cash flow risk. The Group and the Company have taken measures to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and the Company.

#### Credit risk management

The Group's and the Company's principal financial assets are cash and bank balances, trade receivables, other receivables, amount owing by related party, amount owing by associated companies and amount owing by subsidiary company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group's and the Company's exposure to credit risk in relation to its trade and other receivables, should all its customers fail to perform their obligations as of 31 March 2015, is the carrying amount of these receivables as disclosed in the statements of financial position.

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on short-term borrowings. The risk is managed by the Group by maintaining a floating rate borrowing on trade facilities.

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease in the interest rate is used when reporting interest rate risk internally to management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2015 would be decrease/increase as a result of the following:

	2015 RM	2014 RM
Decrease/Increase in interest expense on:		
Foreign currency trade facilities	33,355	—

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The financial liabilities of the Group and the Company that are categorised as other financial liabilities and measured at amortised cost, consist of trade and other payables, accrued expenses, amount owing to subsidiary companies, amount owing to related party and amount owing to corporate shareholder of a subsidiary company. These financial liabilities are non-interest bearing and with maturities within the next twelve months.

#### Cash flow risk management

The Group and the Company review its cash position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### Fair values management

The carrying amounts of the financial assets and financial liabilities of the Group and the Company at the end of the reporting period approximate their fair values due to the relatively short maturities of these financial instruments.

The table below analyse financial instruments carried at fair value together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
<b>The Group</b>						
<b>2015</b>						
<b>Financial liability</b>						
Contingent consideration payable in respect of investment in associated companies	—	—	4,147,920	4,147,920	4,147,920	4,147,920

There was no contingent consideration payable in respect of investment in associated companies in the preceding reporting period. Therefore, no comparative figure is presented.

#### Level 3: Valuation technique and key inputs

Price-earnings multiple of approximately 7.21 times as implied by the average profit after tax of the associated companies for the First Measurement Period and Second Measurement Period.

No transaction which involves a corporation undertaking the manufacturing of specialty chemicals and which is comparable to the business activities of the associated companies were identified. Management of the Group has identified several comparable companies which are currently listed on the bourses of South Korea, Taiwan and India and with a market capitalisation of below USD300 million as at latest practicable date to give an indication of the current market valuations of companies involved in production of specialty chemicals as compared to the associated companies.

	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
<b>The Group</b>						
<b>2014</b>						
<b>Financial asset</b>						
Forward exchange contracts	—	29,810	—	29,810	29,810	29,810

There were no forward exchange contracts in the current reporting period. Therefore, no comparative figure is presented.

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Group's foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in the respective notes.

#### Foreign currency sensitivity analysis

The Group is mainly exposed to the foreign currencies of United States Dollar ("USD") and Euro ("EURO").

The following table details the Group's sensitivity to a 5% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a gain in the profit or loss where the Ringgit Malaysia strengthens 5% against the relevant currency. For a 5% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit or loss, the balances below would be negative.

	The Group	
	Net impact on profit or loss	
	2015	2014
	RM	RM
USD/RM - Strengthened 5%	(376,169)	(188,701)
- Weakened 5%	376,169	188,701
EURO/RM - Strengthened 5%	361	39,359
- Weakened 5%	(361)	(39,359)

Opcom Niaga Sdn. Bhd. ("ONSB"), one of the subsidiary companies of the Company is mainly exposed to the currency of Malaysia (RM).

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### Foreign currency risk management (Cont'd)

The following table details the ONSB sensitivity to a 5% increase and decrease in the USD against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the USD strengthens 5% against the relevant currency. For a 5% weakening of the USD against the relevant currency, there would be a comparable impact on the profit and other equity, and the balance below would be negative/positive.

		The Group	
		Net impact on profit or loss	
		2015	2014
		RM	RM
RM/USD	- Strengthened 5%	(253,056)	—
	- Weakened 5%	253,056	—
USD/RM	- Strengthened 5%	—	206,761
	- Weakened 5%	—	(206,761)

### 31. CAPITAL COMMITMENT

		The Group	
		2015	2014
		RM	RM
Approved but not contracted for:			
	Purchase of property, plant and equipment	—	18,667

### 32. CORPORATE GUARANTEES

		The Company	
		2015	2014
		RM	RM
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary company		13,000,000	—



### 33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation, as follows:

	As previously presented RM	Reclassifications RM	As currently presented RM
<b>The Group</b>			
<b>Statements of financial position</b>			
As of 31 March 2014			
Trade and other receivables	19,943,891	(19,943,891)	—
Trade receivables	—	15,581,551	15,581,551
Other receivables and prepaid expenses	—	951,034	951,034
Amount owing by related party	—	3,411,306	3,411,306
Trade and other payables	31,236,953	(31,236,953)	—
Trade payables	—	10,759,037	10,759,037
Other payables and accrued expenses	—	1,996,679	1,996,679
Amount owing to corporate shareholder of a subsidiary company	—	18,468,234	18,468,234
Amount owing to related party	—	13,003	13,003
<hr/>			
<b>The Company</b>			
<b>Statements of financial position</b>			
As of 31 March 2014			
Trade and other receivables	221,262	(221,262)	—
Other receivables and prepaid expenses	—	215,901	215,901
Amount owing by related party	—	5,361	5,361
Trade and other payables	2,222,202	(2,222,202)	—
Other payables and accrued expenses	—	507,935	507,935
Amount owing to subsidiary companies	—	1,669,753	1,669,753
Amount owing to related party	—	44,514	44,514

Certain comparative figures in the statements of cash flows of the Group and the Company have also been reclassified consequent to the reclassification made in the statements of financial position.

### 34. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFIT/LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive, are as follows:

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings of the Company and its subsidiary companies				
Realised	<b>55,027,974</b>	55,842,097	<b>14,138,696</b>	14,037,334
Unrealised	<b>(1,376,825)</b>	(3,511,913)	<b>(2,183,379)</b>	(2,242,825)
	<b>53,651,149</b>	52,330,184	<b>11,955,317</b>	11,794,509
Total share of retained earnings from associated companies				
Realised	<b>155,621</b>	—	—	—
Unrealised	—	—	—	—
	<b>155,621</b>	—	—	—
Less: Consolidation adjustments	<b>(10,660,705)</b>	(11,375,018)	—	—
Total retained earnings as per statements of financial position	<b>43,146,065</b>	40,955,166	<b>11,955,317</b>	11,794,509

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements” as issued by Malaysian Institute of Accountants on 20 December 2010. A charge or a credit to the profit or loss of a legal entity is deemed realized when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia Securities Berhad and is not made for any other purposes.

# Statement by Directors

The Directors of **OPCOM HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 March 2015 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 34, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 *“Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements”* as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

**Tan Sri Mokhzani Mahathir**

**Chhoa Kwang Hua**

Petaling Jaya,  
19 June 2015

# Declaration by the Officer

## Primarily Responsible for the Financial Management of the Company

I, **LIM BEE KHIN**, the officer primarily responsible for the financial management of **OPCOM HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are, in my opinion, 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.

**Lim Bee Khin**

Subscribed and solemnly declared by the  
above named **LIM BEE KHIN** at  
**PETALING JAYA** this 19th day of June 2015.

Before me,

**Ng Say Hung**

No.: B185

Commissioner for Oaths

Petaling Jaya, Selangor Darul Ehsan

# List of Property

Location & description	Existing use	Tenure	Date of valuation	Built up area	Age of property	Book value (RM'000)
98721 Seksyen 15 Tapak Perusahaan Shah Alam, City of Shah Alam District of Petaling and State of Selangor being land, factory and office buildings bearing the address of No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan.	<ul style="list-style-type: none"> <li>– Manufacturing block</li> <li>– Office building</li> <li>– Warehouses</li> <li>– Open storage yards</li> <li>– Car parks</li> <li>– Guard house</li> </ul>	99 year leasehold expiring on 18.04.2074	Land: 10.07.2012  Buildings: 15.04.2011	Land area: 29,450 sq. m.  Built-up area: 9,145 sq. m.	Age of manufacturing block: approximately 19 years  Age of other building/structures: Not more than 30 years	20,037

# Analysis of Shareholdings

AS AT 31 JULY 2015

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

	No. of shareholders	% of shareholders	No. of shares held	% of issued share capital
Less than 100	186	7.73	8,243	0.00
100 - 1,000	187	7.77	109,210	0.07
1,001 - 10,000	1,282	53.26	6,782,712	4.21
10,001 - 100,000	665	27.63	19,882,997	12.33
100,001 to less than 5% of issued shares	82	3.40	31,842,650	19.75
5% and above of issued shares	5	0.21	102,624,125	63.64
	2,407	100.00	161,249,937	100.00

## THIRTY LARGEST SHAREHOLDERS

Rank	Name	No. of shares held	% of issued share capital
1	EB Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Dato' Seri Mukhriz Mahathir	29,137,500	18.07
2	M Ocean Capital Sdn. Bhd.	23,440,625	14.54
3	Rezeki Tegas Sdn. Bhd.	21,296,000	13.21
4	SJ Sec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Al Rajhi Bank for M Ocean Capital Sdn. Bhd.	20,000,000	12.40
5	Dato' Seri Mukhriz Mahathir	8,750,000	5.43
6	Chan Ee Lin	6,326,575	3.92
7	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad – Kenanga Growth Fund	3,876,300	2.40
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustee Malaysia Berhad for Eastspring Investments Small Cap Fund	1,536,000	0.95
9	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (NULF 1)	1,486,500	0.92
10	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Takaful Berhad (Mekar)	1,000,000	0.62
11	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Takaful Berhad (Credit Takaful PIA)	900,000	0.56
12	Malaysia Nominees (Tempatan) Sendirian Berhad - Overseas Assurance Corporation (Malaysia) Berhad (MGF)	830,400	0.51
13	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LBF)	813,400	0.50
14	Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Mohd Said	715,625	0.44
15	Abdul Jabbar Bin Abdul Majid	625,000	0.39
16	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Takaful Berhad (Majmuk)	500,000	0.31
17	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Takaful Berhad (Operator)	500,000	0.31
18	Tan Chee Siang	411,700	0.26

**THIRTY LARGEST SHAREHOLDERS (CONT'D)**

Rank	Name	No. of shares held	% of issued share capital
19	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Chia Ai Seng	400,000	0.25
20	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Mohamed Rashdan Bin Baba	375,000	0.23
21	Chua Gaik Suwan	347,500	0.22
22	DB (Malaysia) Nominee (Asing) Sdn. Bhd. - Exempt for the Bank of New York Mellon SA/NV (Charles Stanley)	340,000	0.21
23	Chee Tan Boon Keng	337,000	0.21
24	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Muhd Adam Low Bin Abdullah	321,000	0.20
25	Chiam Siew Peng	310,000	0.19
26	Teo Han Wah	270,325	0.17
27	Thian Boon Keong	270,000	0.17
28	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Loh Chai Keong	257,500	0.16
29	Cimsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sim Bee Lin	239,000	0.15
30	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Eng Hoo	238,925	0.15
<b>Total</b>		<b>125,851,875</b>	<b>78.05</b>

**SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)**

Name	No. of shares held			
	Direct	%	Indirect	%
M Ocean Capital Sdn. Bhd.	43,440,625	26.94	—	—
Tok Puan Norzieta Zakaria	—	—	43,440,625*	26.94
Dato' Seri Mukhriz Mahathir	37,887,500	23.50	—	—
Rezeki Tegas Sdn. Bhd.	21,296,000	13.21	—	—
Ailida Binti Bharum	—	—	21,296,000*	13.21

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

**DIRECTORS' SHAREHOLDING (AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS)**

Name	No. of shares held			
	Direct	%	Indirect	%
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	715,625	0.44	—	—
Abdul Jabbar Bin Abdul Majid	625,000	0.39	—	—
Sven Janne Sjöden	120,000	0.07	—	—



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twentieth 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 Tuesday, 15 September 2015 at 9.30 a.m. to transact the following businesses:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2015 and the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees for the financial year ended 31 March 2015. *Ordinary Resolution 1*
3. To re-elect Tan Sri Mokhzani Mahathir who retires pursuant to Article 127 of the Company's Articles of Association. *Ordinary Resolution 2*
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-
 

**"THAT** Mr. Sven Janne Sjöden retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting."

*Ordinary Resolution 3*

**"THAT** Encik Abdul Jabbar Bin Abdul Majid retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting."

*Ordinary Resolution 4*
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 5*

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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular.”

6. **PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH ERICSSON (MALAYSIA) SDN. BHD. GROUP AND ITS ASSOCIATED COMPANIES AND BIRLA ERICSSON OPTICAL LIMITED**

**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 Ericsson (Malaysia) Sdn. Bhd. Group and its associated companies and Birla Ericsson Optical Limited as detailed in Section 2.3 of the Circular to Shareholders dated 24 August 2015 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.

## Notice of Annual General Meeting

**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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular.”

### 7. **PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH UNIGEL (UK) LIMITED GROUP AND ITS ASSOCIATED COMPANIES**

### *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 Unigel (UK) Limited Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular.”

8. **PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH UNIGEL IP LIMITED 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 Unigel IP Limited Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 24 August 2015 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.

## Notice of Annual General Meeting

**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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular.”

### 9. **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 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 SapuraKencana Petroleum Berhad Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular."

**10. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AIRZED BROADBAND 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 and to give effect to specified recurrent related party transactions of a revenue or trading nature with Airzed Broadband Sdn. Bhd. as detailed in Section 2.3 of the Circular to Shareholders dated 24 August 2015 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

## Notice of Annual General Meeting

(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 Section 2.3 of the Circular to Shareholders dated 24 August 2015 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 Section 2.4 of the Circular."

### 11. 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."

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  
 24 August 2015



**Notes:**

1. *Only depositors whose names appear in the Record of Depositors as at 9 September 2015 shall 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. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the Member to speak at the meeting.*
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, he shall specify the proportion of his shareholdings to be represented by each proxy.*
4. *Where a Member of the Company is an authorised nominee as defined under Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *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.*
7. *Explanatory Notes on Special Business:*

**Ordinary Resolutions 5 – 10****Proposed Shareholders' Mandate for Recurrent Transactions**

*The proposed Ordinary Resolutions 5 - 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.*

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OPCOM HOLDINGS BERHAD 322661-W  
(INCORPORATED IN MALAYSIA)

# Proxy Form

I/We \_\_\_\_\_ NRIC/Co. No. \_\_\_\_\_

(Full Name in Block Capitals)

of \_\_\_\_\_

(Full Address)

\_\_\_\_\_ being a member/members of **OPCOM HOLDINGS BERHAD** hereby appoint

\_\_\_\_\_

(Full Name & NRIC No.)

of \_\_\_\_\_

(Full Address)

or failing him/her, \_\_\_\_\_

(Full Name & NRIC No.)

of \_\_\_\_\_

(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Twentieth 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 Tuesday, 15 September 2015 at 9.30 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.

	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		

Dated: \_\_\_\_\_

CDS Account No: \_\_\_\_\_

Number of Shares Held: \_\_\_\_\_

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

Notes:-

1. *Only depositors whose names appear in the Record of Depositors as at 9 September 2015 shall 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. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the Member to speak at the meeting.*
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, he shall specify the proportion of his shareholdings to be represented by each proxy.*
4. *Where a Member of the Company is an authorised nominee as defined under Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *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.*

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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

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STAMP**

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[www.opcom.com.my](http://www.opcom.com.my)

**OPCOM HOLDINGS BERHAD** (322661-W)

11 Jalan Utas 15/7, 40200 Shah Alam,  
Selangor Darul Ehsan, Malaysia.

Tel +603 5519 5599

Fax +603 5519 6063