OPCOM

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

AFFORDABLE BROADBAND INFRASTRUCTURE

Annual Report 2018

23rd Annual General Meeting of Opcom Holdings Berhad will be held at **Danau 3, Kota Permai Golf & Country Club,** No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on **Wednesday, 12 September 2018** at **10.00 a.m.**

WHAT'S INSIDE

2	Vision, Mission & Values
4	Corporate Information
5	Corporate Structure
6	Group Financial Highlights
8	Financial Calendar
10	Chairman's Statement
13	Management Discussion & Analysis
16	Board of Directors
18	Board of Directors' Profile
20	Senior Management's Profile
22	Corporate Governance Overview Statement
31	Audit Committee Report
33	Nominating & Remuneration Committee Report
37	Statement on Risk Management & Internal Control
40	Financial Statements
107	List of Property
108	Analysis of Shareholdings
110	Notice of Annual General Meeting
118	Personal Data Protection Act 2010
	Proxy Form

VISION

An affordable broadband infrastructure for all Malaysians.

MISSION

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

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

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

VALUES

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

SUPERIOR QUALITY

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

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.

VALUE

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

COMMITMENT

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

ATTITUDE

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

CHALLENGE

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

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

CORPORATE INFORMATION

Board of Directors

Tan Sri Mokhzani Mahathir
Chairman
Executive Director

Chhoa Kwang Hua, Eric
Executive Director

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

Members
Sven Janne Sjöden
Chan Bee Lean

Nominating & Remuneration Committee

Chairman
Abdul Jabbar Bin Abdul Majid

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

Tender Committee

Chairman
Tan Sri Mokhzani Mahathir

Members
Chhoa Kwang Hua, Eric
Abdul Jabbar Bin Abdul Majid

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 : 03-7849 0777
Fax : 03-7841 8151/03-7841 8152

Auditors

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (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 Banker

RHB Bank Berhad (6171-M)
Level 7, Tower Three
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel : 03-9287 8888
Fax : 03-9287 9000

Stock Exchange Listing

ACE Market
Bursa Malaysia Securities Berhad
Stock Code: 0035

Website

www.opcom.com.my

CORPORATE STRUCTURE

OPCOM HOLDINGS BERHAD

(Company No. 322661-W)

Investment holdings and other related activities

70%
OPCOM CABLES SDN BHD
(Company No. 322687-T)

Manufacturing of fiber optic cables, systems, accessories and provision of engineering services

100%
UNIGEL COMPOUNDS SDN BHD
(Company No. 442938-M)

Manufacturing and trading of cable filling and flooding compounds, and trading of industrial products

100%
OPCOM TRADING SDN BHD
(Company No. 1155217-D)

Dormant

100%
OPCOM SHARED SERVICES SDN BHD
(Company No. 665562-M)

Provision of human resource management services

90%
OPCOM ENGINEERING SERVICES SDN BHD
(Company No. 1229899-M)

Trading of industrial materials and provision of engineering services

40%
UNIGEL (UK) LIMITED
(Company No. 03032651)
(Incorporated in United Kingdom)

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

40%
UNIGEL IP LIMITED
(Company No. 2143521)
(Incorporated in Hong Kong)

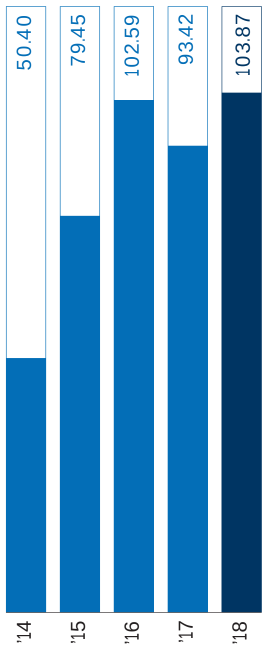
Provision of licensing services for intellectual property rights

GROUP FINANCIAL HIGHLIGHTS

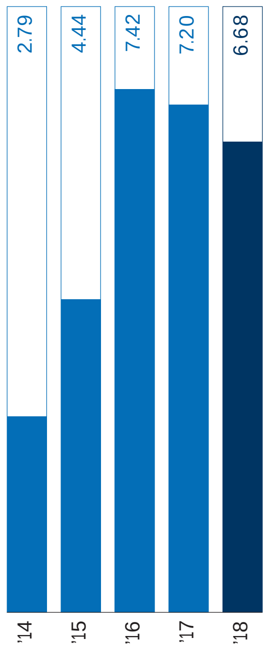
	2014	2015	2016	2017	2018
Operating Results (RM Million)					
Revenue	50.40	79.45	102.59	93.42	103.87
Profit before taxation	3.37	4.82	8.30	8.11	6.18
Net profit attributable to owners of the Company	2.79	4.44	7.42	7.20	6.68
Key Financial Position Data (RM Million)					
Property, plant and equipment	38.33	35.86	38.35	42.27	40.59
Total assets	122.60	135.04	121.32	131.88	129.33
Share capital	25.80	32.25	32.25	32.25	32.25
Shareholders' funds	72.57	77.23	81.87	88.65	88.19
Share Information					
Per share (sen):					
Basic earnings	1.73	2.75	4.60	4.46	4.15
Net dividend	6.00	1.25	1.50	2.00	2.00
Net assets	56.26	47.90	50.77	54.98	54.69
Financial Ratios (%)					
Return on total assets	1.50	2.63	5.76	5.50	4.20
Return on shareholders' equity	3.85	5.75	9.07	8.12	7.58

GROUP FINANCIAL HIGHLIGHTS

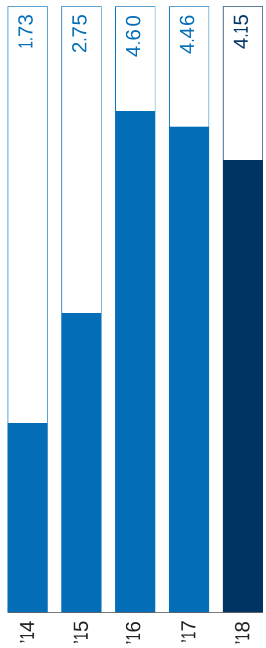
Revenue
(RM million)



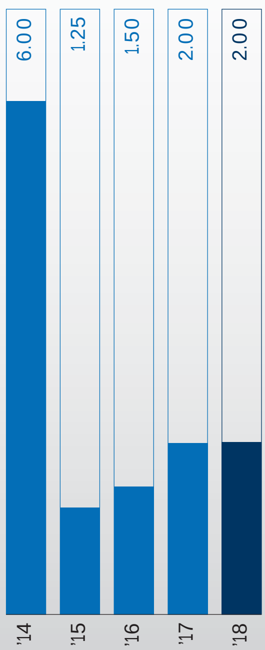
Net Profit Attributable to Owners of the Company
(RM million)



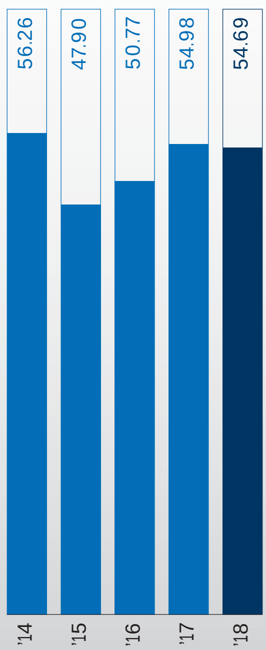
Basic Earnings Per Share
(sen)



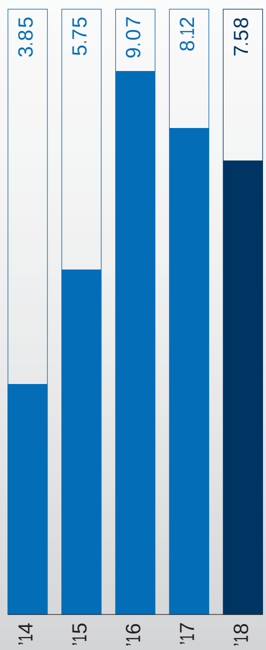
Net Dividend Per Share
(sen)



Net Assets Per Share
(sen)



Return on Shareholders' Equity
(%)



FINANCIAL CALENDAR

17 August 2017

Announcement of the unaudited results for the 1st quarter ended 30 June 2017

14 September 2017

22nd Annual General Meeting held at Tropicana Golf & Country Resort, Petaling Jaya

22 November 2017

Announcement of the unaudited results for the 2nd quarter ended 30 September 2017

08 September 2017

Payment of Interim dividend of 2.00 sen per ordinary share, under single-tier system in respect of the financial year ended 31 March 2018

FINANCIAL CALENDAR

14 February 2018

Announcement of the unaudited results for the 3rd quarter ended 31 December 2017

31 May 2018

Announcement of the unaudited results for the 4th quarter ended 31 March 2018

CHAIRMAN'S STATEMENT

Tan Sri Mokhzani Mahathir
Chairman and Chief Executive Officer

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to share with you the Annual Report and Audited Financial Statements for OPCOM Holdings Berhad ("OPCOM" or "Company") and its group of companies ("Group") for the financial year ended 31 March 2018 ("FY2018").

FY2018 was challenging for the fiber optic cables industry in Malaysia. Factors including rising raw materials cost, lower industry price levels, ringgit weakness and the influx of cheap imports contributed to the overall weak industry situation. In addition, general macro uncertainties in the second half of FY2018 saw overall demand for fiber optic cable softened, and our selling margins continue to be under pressure as we were not able to pass on increased cost to our key customers.

Our diversification strategy continues to gain significant traction. Revenue from engineering services, manufacturing of engineered plastics and production and export of thixotropic compounds which was non-existence three years ago – constituted 39.1 percent of the Group's turnover in FY2018. We expect our new businesses to further increase their contribution to the Group's revenue in the years to come.

Unigel Compounds Sdn Bhd, a wholly-owned subsidiary, exports thixotropic compounds to over twenty countries during FY2018. Thixotropic compounds are used in the manufacture of fiber optic cables as well as in the specialty construction and clean energy industry. Our associate company, Unigel (UK) Limited continues to make good business progress, and is a global leader in the field of production, marketing and sales of thixotropic compounds to international customers around the world.

In our engineering services and engineered plastics material businesses, we have added operational capacity and won several supply mandates during the financial year. We invested and commissioned an additional production line for specialty ducts for the telecommunications and agriculture market.

DIVIDEND

For FY2018, an interim dividend of 2.0 sen per ordinary share, under the single-tier system, totaling RM3.2 million, was declared on 10 August 2017 and paid in full on 8 September 2017. Opcom continue to take a balanced approach on dividend payout, balancing between paying returns to shareholders and at the same time, fulfilling the Group's working capital requirements and re-investment programs.

CORPORATE SOCIAL RESPONSIBILITY

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

We are committed to reducing our carbon footprint by sourcing locally and deliver our products using environmentally sustainable and socially responsible methods. During the financial year, OPCOM plant and operations implemented waste segregation and recycling including innovative initiatives to reduce environmental impact while ensuring quality and value to all our stakeholders. The environmental management at our cables production plant is MS ISO 9001:2008 and MS ISO 14001:2004 certified, and thixotropic compounds production plant is MS ISO 9001:2015 certified and working towards MS ISO 14001:2015 certification.

As part of OPCOM's yearly commitment, OPCOM hosted the Hari Raya Open House for orphanages from Institut Taufiq 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. Blood donation drives were jointly organised with University Malaya Medical Centre.

ACKNOWLEDGEMENT AND APPRECIATION

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

I would like to also thank the management team and all employees for their hardwork, camaraderie, and commitment to drive Opcom forward.

Last but not least, to my fellow board members, thank you for your wise counsel and invaluable support.

Tan Sri Mokhzani Mahathir
Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

The business environment during the last financial year continued to be challenging for Opcom Holdings Berhad ("Opcom" or "the Company") and its group of companies ("Opcom Group" or "the Group"). On the backdrop of softening domestic demand for our products during the second half of the financial year, the Group registered a turnover of RM103.9 million which was marginally higher than the preceding year. The profitability of its core business, optical fiber – continued to be affected by higher raw material prices, competitive domestic market price level, and a weak Malaysian ringgit.

Opcom Group continues to make headways in its other business segments, namely engineering services and thixotropic compounds for the cable industry. Our engineering business is making steady progress and during the financial year – the Company had managed to win new engineering services mandates. Our thixotropic compound business continues to make positive strides and to date, we have exported our products to over twenty countries. Our associate company, Unigel (UK) Limited had moved into a new facility in Eastbourne, England, with a well-equipped laboratory and pilot production facility for our researchers and engineers. The financial performance of Unigel (UK) Limited continue to strengthen as a result of management focus in improving market share and revenue, cost improvement and efficiency gains as a result of implementation of management processes and controls.

OUR BUSINESS ACTIVITIES

As a technology business, Opcom Group continue to focus on its three-prong strategy of niche technology, services and exports. We are positioning our organization for major changes in the coming era of the Fourth Industrial Revolution and Internet of Things (IoT) where digital connectivity and inter-connectivity will be a core business opportunity for us. Fiber optic cable systems, engineering services and niche related products share a common denominator in our unique business model that we are committed to and continue to nurture and grow.

For the financial year ended 31 March 2018 ("FY2018"), our domestic fiber optic cable businesses comprised approximately 49.6 percent of our total turnover, a reduction of 7.1 percent compared to the preceding year. This was due to a weaker domestic market environment but Opcom Group continue to move up the value chain ladder, and looks to outsource generic, low margin cable products.

Our investment in Unigel (UK) Limited, and subsequent follow-on strategy of an export-oriented manufacturing facility in Malaysia positioned Unigel to be a global market and technical leader in thixotropic compounds. Today, our Malaysian plant exports to over twenty countries – and we endeavour to look at alternative markets for our products outside the traditional realms of fiber optic cables.

In addition, Opcom Group has invested and build core competency in the area of engineered plastic conduits and specialty pipes for the telecommunications, power and agriculture industry. We successfully commissioned our third production line in early 2018. Opcom Group is confident that this niche business will continue to grow and plan to invest in additional production capacity to support future business opportunities.

In the coming years, our business have to be ready for the dramatic changes that is evidence around us – how do we position ourselves in a rapidly changing marketplace, how do we offer quality products and services that our customers expect at the right price point whilst committing to a high standard of process and quality improvement. To sustain our industry leadership, we rely on the ingenuity of our people to improve and innovate our manufacturing methods and supply chain initiatives.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL PERFORMANCE

For the financial year under review, the Group's revenue was RM103.9 million, an improvement of 11.2 percent from the previous year mainly due to export growth in our thixotropic compounds business. For the same period, domestic demand for fiber optic cables declined 7.1 percent due to weak demand from key customers especially during the second half of the financial year. Revenue for engineering services and engineered plastic products improved 2.9 percent compared to the preceding financial year.

The Group reported a profit after tax of RM5.4 million, a slight decrease of 8.2 percent from the preceding year. Except for fiber optic cables, profit contribution improved from our new business areas such as engineering services, thixotropic gels and engineered plastics products. We continue to rationalize our cable manufacturing business which helped to offset some of the negative effect of the weakness of the Malaysian Ringgit and increased cost from shortage of raw materials in the global optical fiber market. During the financial year, the Group undertook a reversal of previous years provision for impairment amounting to RM3.3 million.

As in preceding financial year, the Group has been successful in reducing its over-reliance on its fiber optic cable business. Our fiber optic cable business comprised approximately 49.6 percent of our revenue for the financial year under review compared to nearly 100.0 percent five years ago. Opcom continue to diversify its segmental business revenue to achieve a more balanced revenue profile while aiming for exports to comprise a target of 50.0 percent of its turnover over the next three years.

CAPITAL EXPENDITURES

During the financial year, the Group invested approximately RM1.7 million in capital equipment as we continue to drive more automation in our manufacturing and material handling processes to reduce our dependency on labour in non-critical processes. We also invested and successfully commissioned an engineered plastic extrusion line for large diameter specialty engineered plastic conduits. Our engineering services arm continue to invest in equipment and business processes to build our service provisioning competency.

BUSINESS RISKS

During the past financial year, the continued strong global demand for optical fiber have caused an acute shortage of optical fibers, a raw material for the manufacture of fiber optic cables. We believe that the strong demand for optical fiber will persist, and as a result, optical fiber prices have increased by nearly 20.0 percent in the past financial year which for most part – we were unable to pass this cost increase to our major customers. As a long term player in the fiber optic cable industry, Opcom Group have good long term supply relationship with key suppliers of optical fibers and therefore – we are confident that we will be able to secure the necessary optical fiber required for our business requirement.

OUTLOOK

The global economic growth outlook is expected to be robust – the World Bank's economic growth estimate is at 3.1 percent for 2018. Global policy uncertainties such as the ongoing trade wars between the United States and its trading partners, the economic repercussions from BREXIT in the United Kingdom, the expected decelerating growth in the advanced economies and levelling off of commodity prices will continue to weight on a recovery from 2017. On the domestic front according to Bank Negara, the Malaysian economy grew 5.4 percent in the first quarter of 2018, and is expected to grow 5.2 percent this year.

Our current financial year will be very challenging mainly due to anticipated lower business volume from our fiber optic cable business, weaker ringgit and increased raw material cost which we are unable to pass on to our key customers especially during the first half of the financial year. We look forward to continued revenue and profit contribution from our diversification initiatives. Exports from our cable compounds business is expected to grow at a robust pace and we expect profit contribution from our overseas affiliates to be maintained.

Opcom Group continue to have a healthy pipeline of book orders from its key customers in Malaysia for fiber optic cables, engineered plastics and engineering services. With a better economic outlook for the second half of 2018, we hope to see an increase in the demand for fiber optic cables domestically especially with the Government's call for doubling of broadband speed to Malaysian consumers. The current supply shortage of optical fiber is expected to ease, and should the Malaysian ringgit recover vis-a-vis the major currencies – we could see a better operating results from our fiber optic cable business.

Services is a key aspect of the Company's future. Opcom Engineering Services Sdn Bhd, a 90.0 percent owned engineering services subsidiary, have made solid progress in the domestic engineering services and maintenance business, and we expect that in 2018 – we will add new business mandates to the current order pipeline.

In line with our business strategy, Opcom Group continue to pursue opportunities in the cable compounds and components space, and is on the look out to acquire niche technology businesses overseas.

BOARD OF DIRECTORS

Sven Janne Sjöden
Independent Non-Executive Director

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

Tan Sri Mokhzani Mahathir
Chairman/Executive Director

BOARD OF DIRECTORS

Chhoa Kwang Hua, Eric
Executive Director

Abdul Jabbar Bin Abdul Majid
Independent Non-Executive Director

Chan Bee Lean
Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

TAN SRI MOKHZANI MAHATHIR

Chairman/Executive Director

Aged 57, Male Malaysian

Date Appointed to the Board:

8 May 2009

Number of Board Meetings Attended in the Financial Year:

3/5

Qualifications:

- Bachelor of Science in Petroleum Engineering from University of Tulsa, Oklahoma, USA

Membership of Board Committee:

- Tender Committee (Chairman)

Skills, Experience and Expertise:

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. He was the Non-Independent Vice-Chairman and Director of SapuraKencana Petroleum Berhad up to 4 March 2015.

He was also formerly the Chairman of Sepang International Circuit Sdn Bhd, which hosted FIA Formula One World Championship for 19 years till 2017.

Presently, he sits on the board of Maxis Berhad and Royal Automotive Club of Malaysia.

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.

CHHOA KWANG HUA, ERIC

Executive Director

Aged 53, Male Malaysian

Date Appointed to the Board:

1 May 1994

Number of Board Meetings Attended in the Financial Year:

5/5

Qualifications:

- Master of Business Administration (MBA) from Harvard Business School, Boston, Massachusetts
- Bachelor of Science in Business Administration and Finance (Honours) from Sophia University, Tokyo, Japan

Membership of Board Committee:

- Tender Committee

Skills, Experience and Expertise:

He co-founded the group in year 2004. As part of the leadership team of the Group, he focuses on driving the growth and diversification of the Group's business activities. He has over twenty five (25) years of combined operational experience in the manufacturing and financial services industry.

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

Independent Non-Executive Director

Aged 72, Male Malaysian

Date Appointed to the Board:

12 September 2003

Number of Board Meetings Attended in the Financial Year:

5/5

Qualifications:

- Graduate of the US Marine Corps Command and General Staff College, the Malaysian Armed Forces Defence College and the Pakistan National Defence College courses

Membership of Board Committee:

- Audit Committee (Chairman)
- Nominating & Remuneration Committee

Skills, Experience and Expertise:

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

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 (SP), the nation's highest award for gallantry.

BOARD OF DIRECTORS' PROFILE

ABDUL JABBAR BIN ABDUL MAJID

Independent Non-Executive Director
Aged 73, Male Malaysian

Date Appointed to the Board:
11 November 2003

Number of Board Meetings Attended in the Financial Year:
5/5

Qualifications:
- Fellow member of the Institute of Chartered Accountants in Australia
- Member of the Malaysian Institute of Accountants
- Member of the Malaysia Institute of Certified Public Accountants

Membership of Board Committee:
- Nominating & Remuneration Committee (Chairman)
- Tender Committee

Skills, Experience and Expertise:
He has more than forty (40) years experience in accounting, audit, receivership, liquidation, financial advisory and consultancy. He was formerly a director of Bank Muamalat Malaysia Berhad until October 2016.

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.

SVEN JANNE SJÖDEN

Independent Non-Executive Director
Aged 73, Male Swedish National

Date Appointed to the Board:
11 November 2003

Number of Board Meetings Attended in the Financial Year:
5/5

Qualifications:
- Bachelor of Science in Economics from Uppsala University, Sweden

Membership of Board Committee:
- Audit Committee
- Nominating & Remuneration Committee

Skills, Experience and Expertise:
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 of ENT.

Between 1992 and 2008, he was responsible for the Business Unit Cable and was at the same time appointed the President of ENT.

CHAN BEE LEAN

Independent Non-Executive Director
Aged 47, Female Malaysian

Date Appointed to the Board:
7 January 2010

Number of Board Meetings Attended in the Financial Year:
5/5

Qualifications:
- Bachelor of Accounting Degree (Honours) from University Utara Malaysia
- Member of the Malaysian Institute of Accountants
- Member of the Institute of Internal Auditors Malaysia

Membership of Board Committee:
- Audit Committee

Skills, Experience and Expertise:
She has been in internal auditing for over twenty (20) 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 offences within the past five (5) years.
3. All directors have no public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 31 March 2018.

SENIOR MANAGEMENT'S PROFILE

TAN SRI MOKHZANI MAHATHIR

Chief Executive Officer

Profile set out on page 18

CHHOA KWANG HUA, ERIC

Deputy Chief Executive Officer

Profile set out on page 18

LIM BEE KHIN

Executive Director,
Unigel Compounds Sdn Bhd

Lim Bee Khin, aged 45, Female Malaysian, joined Unigel Compounds Sdn Bhd, in January 2017. She earned a Bachelor of Business (Accounting) from Monash University, Australia and is a member of the Malaysian Institute of Accountants (MIA). She began her career with KPMG Malaysia in 1995. Prior to 2017, she held several finance positions within Opcom Group from 1997 to 2015. She is responsible for the Group's manufacturing and sales of cable filling compounds and related products.

YUSREE PUTRA ALIAS

Chief Executive Officer,
Opcom Engineering Services Sdn Bhd

Yusree Putra Alias, aged 47, Male Malaysian, joined the Group in 1997. He earned a Diploma in Electrical Engineering (Electronics) from Universiti Teknologi MARA in 1993. He started his career in Marconi (M) Sdn Bhd and joined the Group in April 1997 as a Project Manager. Since 2000, he has been responsible for sales and marketing of the Group's fiber optic cable products. He was appointed as Vice President in 2010 and subsequently as Chief Operating Officer of Opcom Cables Sdn Bhd in 2014. In the year 2017, he was appointed as the Chief Executive Officer of Opcom Engineering Services Sdn Bhd.

SENIOR MANAGEMENT'S PROFILE

ROHIZA HUSAIN

Plant Manager,
Opcom Cables Sdn Bhd

Rohiza Husain, aged 48, Female Malaysian, joined the Group in 2011. She earned a Bachelor in Electrical Engineering from Gunma University, Japan in 1993. She has over twenty (20) years experience in engineering where she was involved in machine maintenance, design/installation and commissioning of new machines and equipment. She is the Plant Manager responsible for the Group's fiber optic cable manufacturing activities.

YEONG WAI YEE, SAMANTHA

General Manager – Marketing,
Unigel Compounds Sdn Bhd

Yeong Wai Yee, Samantha, aged 37, Female Malaysian, joined the group in 2012. She earned an Advance Diploma in Business Administration from Institute Sarjana accredited by University of Oxford in 2000. She has over ten (10) years of experience in supply chain management and marketing. She is responsible for Unigel Compounds Sdn Bhd's marketing and sales administration in the Asia Pacific region.

NG HUI TIENG

General Manager – Finance,
Opcom Group

Ng Hui Tieng, aged 43, Female Malaysian, joined the Group in 2017. An accountant by training, she is a fellow of Association of Chartered Certified Accountant and a member of Malaysian Institute of Accountants. She has over twenty (20) years of working experience in accounting, finance and taxation in various industries in the ASEAN countries. She is responsible for the overall Group's finance function.

KHALIJAH BAKAR

Deputy General Manager – Human Resource and Administration, Opcom Group

Khalijah Bakar, aged 43, Female Malaysian joined the Group in 2015. She earned a Bachelor Degree in Business Administration (majoring in Human Resource Management) in 2009 and Master of Business Administration (MBA) in 2013 from Universiti Technology Mara. She has over twenty (20) years experience in human resource and administration. She is responsible for the Group's human resource and administration function.

Notes:

1. All senior management 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 senior management have no conflict of interest with the Company and have not been convicted for any offences within the past five (5) years.
3. All senior management have no public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 31 March 2018.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS ("THE BOARD") OF OPCOM HOLDNGS BERHAD AND ITS SUBSIDIARIES ("OPCOM" OR "THE GROUP") RECOGNISES THE IMPORTANCE TO MAINTAIN HIGH STANDARDS OF TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY IN THE CONDUCTS OF THE GROUP'S BUSINESS AND AFFAIRS, AS THE BOARD BELIEVES THESE ARE THE KEY TO CONTINUOUS DELIVERING OF SHAREHOLDERS' VALUE.

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 ("MCCG") and strives to adopt the substance and not merely the form behind the corporate governance prescription.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

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, Tender Committee and Risk Management Committee. The respective committees report to the Board on matters considered and their recommendation thereon for decision-making and approval.

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 Executive Directors have many years of combined experience and have in-depth industry and market knowledge to lead and manage the Group's business operations. The Executive Directors are supported by a core team of Senior Management who manage the Group's various business activities on a day-to-day basis. The management leadership team executes and implements the policies and strategies approved by the Board in compliance with the corporate governance, risk management and internal control framework of the Group.

The Group has a well-structured and process oriented communications framework to keep the Board and its committees informed of the Group's business activities on a continuous basis. Business workgroup activities are reported and measured against agreed Key Performance Indicator of the Group's yearly business plan on a monthly basis. The Group's financial and operational performance are reviewed by the various relevant committees of the Board on a quarterly basis (or as and when required). The Board meets with the management team at least once every quarter to review the Group's business activities, including important issues relating to business goals and objectives and internal controls.

The Board operates within a robust set of governance as set out below:

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. In ensuring that the direction and control of the Company is in the hand of the Board, a formal Schedule of Reserved Matters has been implemented, to guide and reserved matters specifically to the Board for decision making. The Schedule of Reserved Matters is provided to Directors upon appointment and it is kept up to date on quarterly basis.

The Board Charter, Code of Conduct and the Schedule of Reserved Matters of the Board are made available for reference in the Company's website, www.opcom.com.my.

The Board Meeting

For the financial year ended 31 March 2018, the Board held five (5) meetings. Directors' profiles and attendance to these meetings can be found in the Board of Directors' profile on pages 18 to 19. At Board Meetings, strategies and performance of the Group are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political.

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

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.

Training

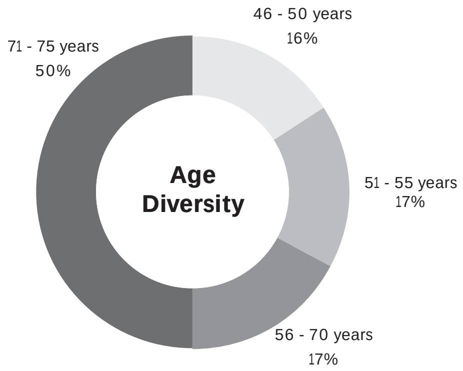
The Directors assessed their own training needs and attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as directors of the Company. Additionally, the Directors kept themselves updated 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. Throughout the financial under review, regular updates/briefing on regulatory and industry trends were held at Board and Committee meetings.

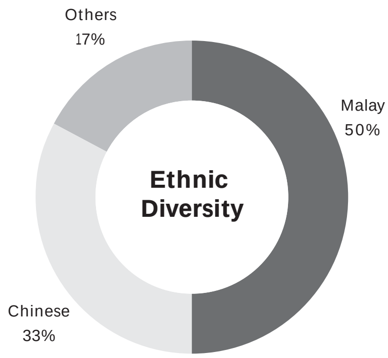
The Board has taken steps to ensure that its members have ongoing access to appropriate continuing education programmes in order to effectively discharge their functions effectively as directors.

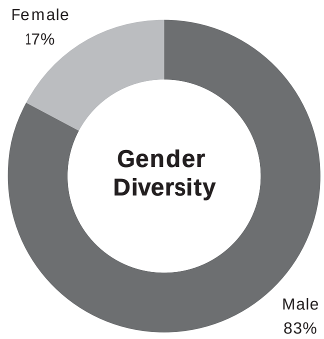
Composition and Balance of the Board

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 current board composition is illustrated as below:







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 19 of this Annual Report. The presence of independent directors fulfils a pivotal role in corporate accountability and the role of the independent directors is particularly important as they provide unbiased and independent views, advice and judgement.

Re-election of Directors

In May 2018 meeting, the Board approved that the two (2) Directors, namely, Tan Sri Mokhzani Mahathir and Chhoa Kwang Hua, Eric, who are due to retire by rotation at the forthcoming twenty-third AGM, be eligible to stand for re-election. Both the Directors have expressed their intention for re-election at the forthcoming twenty-third AGM.

Independent Directors

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 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 generally 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 judgement. Therefore, it has determined at the assessment carried out that Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Abdul Jabbar Bin Abdul Majid, who have served the Board for more than twelve (12) years, remain objective and independent in expressing their views and in participating in deliberation and discussion 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. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) 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. Both are also serve as directors of Opcom Engineering Services Sdn Bhd, a 90% equity owned subsidiary of Opcom Holdings Berhad. The Board is therefore recommending to the shareholders at the forthcoming twenty-third Annual General Meeting to retain Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Abdul Jabbar Bin Abdul Majid as the independent directors of the Company via a two-tier voting process respectively.

The Board has commitment to increase the representation of women and people from cultural and linguistically diverse background. In addition, the Board supports 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.

Nominating & Remuneration Committee

The Nominating and Remuneration Committee ("NRC") is responsible for the annual review of the required mix of skills and experience and core competency which 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. With the latest compliance to the listing requirements, the NRC is responsible to review the term of office of the audit committee and performance of the audit committee and each of its members annually.

NRC evaluates the performance of the Board and Board Committees as a whole by way of questionnaires completed by respective Board Members and Board Committees. The evaluation process is led by the NRC Chairman supported by the Company Secretary and Corporate Services Workgroup.

The NRC Report is as set out on pages 33 to 36 of this Annual Report, which outlines the NRC's membership, its responsibilities and summary of activities carried out during the year.

Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2018 is as follows:

	Group				Company	
Director	**Directors' Fee (RM)**	**Salaries (RM)**	**Allowances (RM)**	**Benefits-in-Kind (RM)**	**Directors' Fee (RM)**	**Allowances (RM)**
Tan Sri Mokhzani Mahathir	36,000	252,342	16,000	–	24,000	16,000
Chhoa Kwang Hua, Eric	60,000	124,815	95,960	101,800	24,000	–
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	35,000	–	41,000	–	24,000	41,000
Abdul Jabbar Bin Abdul Majid	35,000	–	25,500	–	24,000	25,500
Sven Janne Sjöden	24,000	–	19,500	–	24,000	19,500
Chan Bee Lean	24,000	–	18,000	–	24,000	18,000

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, 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 Directors and Senior Management and is to be reviewed by the Board as required. The remuneration policy is made available for reference in the Company's website, www.opcom.com.my.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

As of financial year ended 31 March 2018, the Company has in place an Audit Committee which comprises three (3) independent Non-Executive Directors. The role of the Audit Committee is to oversee the processes for preparation and completion of the financial data. The Audit Committee reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the Group.

The Audit Committee has established formal and transparent arrangements to maintain an appropriate relationship with the Company's External Auditors. This includes policies and procedures to review the suitability and independence of the external auditor. During the year under review, the AC has received written assurance from external auditor confirming that it is and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

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.

Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act 2016 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 of 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 2016 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 judgements and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been adopted; 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 of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. 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.

Internal Control

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

Currently, the Group does not maintain an Internal Audit Department but had outsourced its internal audit function to Messrs Moore Stephens Associates PLT, 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 RM60,000.00. The Statement on Risk Management and Internal Control furnished on pages 37 and 39 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Through the Audit Committee, the Board has established and maintained a formal and transparent relationship with the Group's external and internal auditors. A summary of the activities of the Audit Committee during the financial year is set out under the Audit Committee Report on pages 31 to 32 of the Annual Report.

The Audit Committee reviews and evaluates the performance of the external auditors on annual basis through a series of questionnaires assessment, based on feedback from management and against agreed performance criteria as outlined in the audit plan. The Audit Committee was overall satisfied with the services delivered for the financial year ended 31 March 2018 and has made recommendation to the Board on their re-appointment and remuneration.

Risk Management Committee

Risk Management Committee holds monthly meetings and reports to the Audit Committee. 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 affected. 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.

Tender Committee

The Tender Committee of the Board is mandated to review the Group's procurement activities as well as the Group's commitment to undertake major business mandates with third parties. For procurement activities, the Tender Board reviews the recommendation of the management team to undertake expenditure or investment activities which require Board approvals.

The Committee also looks into and review business transactions beyond a certain financial threshold set by the Board, including the nature of the transaction, risks associated with the proposed transaction and the risk-reward considerations of the proposed transaction.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Dialogue between the Company and Investors

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

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

The Shareholders' Communication Policy is made available for reference in the Company's website.

General Meeting

The 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.

In line with the requirements of the Listing Requirements, poll voting will be conducted at the forthcoming twenty-third AGM. Summary of key matters will be published on the Company's website at www.opcom.com.my.

Shareholders who are unable to attend are allowed to appoint proxy(ies) to attend and vote on their behalf. Announcement will be made on the detailed results showing the numbers of votes cast and against each resolutions tabled at general meetings.

OTHER INFORMATION

Audit Fees and Non-Audit Fees

The fees incurred for services rendered to the Group by the Group's external auditors for the financial year ended 31 March 2018 is as follows:

	Group (RM)	Company (RM)
Audit fees	180,000	58,000
Non-audit fees	6,000	6,000

Non-audit fees payable to the external auditors for the financial year ended 31 March 2018 by the Group is for review of Statement on Risk Management & Internal Control.

Material Contracts

There was no material contract entered into by the Group involving the directors' or major shareholders' interest during the financial year ended 31 March 2018.

Compliance with MCCG

The Board considers that the Company has complied with the provisions and applied the key principles of the MCCG throughout the FYE 2018 except for the below where the explanation for departure is disclosed in the Corporate Governance Report:

- Practice 1.3: The positions of Chairman and CEO are held by different individuals.
- Practice 4.6: In identifying candidates for appointment of directors, the Board utilises independent sources to identify suitably qualified candidates.
- Practice 7.2: The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 8.2: The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.
- Practice 11.2: Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- Practice 12.2: All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

- Practice 12.3: Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –

  (a) including voting in absentia; and

  (b) remote shareholders' participation at General Meetings.

Corporate Sustainability Statement

The Group ensures its business strategies to drive a long-term corporate growth and profitability also inherently embrace social responsibility, good governance and overall sustainability. The Group maintains continual vigilance on all of its activities so that these have positive impact and enrich to communities, environment, employees and stakeholders on surrounding the Group operates.

The strategy to promote sustainability and its implementation is made available for reference in the Company's website, www.opcom.com.my.

Recurrent Related Party Transactions

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 2018 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 • Accessories and related training • Business development commission • Motor vehicle expenses • Turnkey for plant and machineries • Supply of capital equipment and related project management	Tan Sri Mokhzani Mahathir [a] Dato' Seri Mukhriz Mahathir [b] Tok Puan Norzieta Zakaria [c] Mirzan Mahathir [d] MOCSB [e]	2,539,229
	Letting of office space of 225 sq.ft. at No. 11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM225 per month to OSB		2,700
Airzed Broadband Sdn Bhd ("ABSB")	Letting of Opcom's open area of 4,890 sq. ft. at No. 11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM1,650 per month to ABSB	Dato' Seri Mukhriz Mahathir [b] Tok Puan Norzieta Zakaria [c] MOCSB [e] Chhoa Kwang Hua [f]	19,800
Perennial Renaissance Sdn Bhd ("PRSB")	Renting of PRSB's office space at 2,870 sq. ft. at D-10-P2 Plaza Mont' Kiara, No. 2 Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan at RM5,600 per month by Opcom	Chhoa Kwang Hua [f] Emile Chhoa Yin-Ling [g]	67,200
Unigel (UK) Limited Group ("Unigel Group") and associated companies	Supply of goods and services to Unigel Group and its associated companies • All chemical including petroleum based products	Chhoa Kwang Hua [f] UL [h] Hikari [i]	30,696,444
	Purchase of goods and services from Unigel Group and its associated companies • Cable related raw materials, components and other such related merchandise		12,131,760

Notes

Nature of interest:

[a] 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 also the brother-in-law of Tok Puan Norzieta Zakaria.

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

[c] Tok Puan Norzieta Zakaria, the spouse of Dato' Seri Mukhriz Mahathir is a director of OCSB, Unigel Compounds Sdn Bhd and Opcom Shared Services Sdn Bhd ("OSSSB"). She is a major shareholder and director of M Ocean Capital Sdn Bhd ("MOCSB"), OSB and ABSB.

[d] 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.

[e] MOCSB is a major shareholder of Opcom.

[f] Chhoa Kwang Hua, an Executive Director/Deputy Chief Executive Officer of Opcom is a director of UCSB and OSSSB. He is an alternate director to Tok Puan Norzieta Zakaria in OCSB. He is a director and major shareholder of ABSB, Hikari Capital Limited ("HCL") and Unigel Limited ("UL").

[g] Emile Chhoa Yin-Ling, the daughter of Chhoa Kwang Hua is a major shareholder and director of PRSB.

[h] UL, a 60% shareholder of Unigel Group.

[i] HCL is the holding company of UL.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee ("Committee") Report of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2018.

1. COMPOSITION

The present members of the Committee comprised:

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

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

Chan Bee Lean
(Independent Non-Executive Director)

2. ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR

The Committee held a total of six (6) meetings. Details of attendance of the committee members are as follows:

Name of Committee	Number of Meetings Attended
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	6/6
Sven Janne Sjöden	6/6
Chan Bee Lean	6/6

* 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 directors and management personnel.

3. SUMMARY OF WORK DONE BY THE COMMITTEE

The following were the work done by the Committee during the financial year in discharging its duties and responsibilities as set out in the terms of reference of the Committee:

(a) Financial Results and Corporate Governance

- Reviewed and deliberated the unaudited quarterly results and audited financial statements of the Group, including related announcements, compliance with Malaysian Financial Reporting Standards and Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("Bursa Listing Requirements"), with management, before recommendation to the Board for approval;
- Reviewed quarterly internal finance policies and procedures of Opcom Group;
- Reviewed and discussed the changes in law and regulations and regulatory updates relating to the Group's businesses;
- Reviewed annually the policies, procedures and processes established for 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 Listing Requirements;
- On quarterly basis, reviewed the related party transactions to ensure the transactions are within the approved mandated value given by the shareholders for recurrent related party transactions were complied within the approved mandated value; and
- Reviewed the Risk Management Policies and Procedures and proposed refreshment training to Head of Workgroups of the Group.

(b) External Audit

- Reviewed the external auditor's audit plans activities to ensure audit scopes are adequately covered;
- Reviewed the audit progress, results of the final audit, audit report and assistance given by the employees of the Company with the external auditors;
- Reviewed and undertook annual assessment of the suitability, objectivity and independence of external auditors;
- Met with the external auditors twice a year without the presence of any executive directors and management personnel; and
- Reviewed and recommends to the Board the proposed final audit fees for the external auditors.

(c) Internal Audit

- Reviewed and assessed the adequacy of the annual scopes and functions of the Internal Audit Plan for the Company and the Group;
- Reviewed and recommended to the Board the renewal audit engagement;
- Reviewed and recommended to the Board the proposed annual audit fee for the internal auditors; and
- Reviewed the quarterly internal audit reports and internal audit progress report and corrective management action plans with management and internal auditors.

4. INTERNAL AUDIT ACTIVITIES

The Internal Audit function of the Group has been outsourced to Moore Stephens Associates PLT ("Moore Stephens"), who reports directly to the Committee. Moore Stephens 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.

Moore Stephens 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.

The review conducted by Moore Stephens during the financial year are as follows:

Group

- Enterprise risk management adequacy review
- Information technology general controls
- Hire to retire process

Opcom Cables Sdn Bhd

- Production Operation

Follow up Audit on the status of implementation/improvement measures taken on addressing issues previously highlighted was also carried out by Moore Stephens during the financial year.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2018 is RM60,000.00.

NOMINATING & REMUNERATION COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Nominating & Remuneration Committee ("Committee" or "NRC") Report of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2018.

1. COMPOSITION

The present members of the Committee comprised:

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

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

Sven Janne Sjöden
(Independent Non-Executive Director)

2. ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR

The Committee held a total of four (4) meetings. Details of attendance of the committee members are as follows:

Name of Committee	Number of Meetings Attended
Abdul Jabbar Bin Abdul Majid	4/4
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	4/4
Sven Janne Sjöden	4/4

3. APPOINTMENT & RE-ELECTION

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.

In accordance with the Company's Constitution, at every Annual General Meeting ("AGM") one-third (1/3) 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 (1/3) 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.

NOMINATING & REMUNERATION COMMITTEE REPORT

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.

In May 2018 meeting, the Board approved that the two (2) Directors, namely, Tan Sri Mokhzani Mahathir and Chhoa Kwang Hua, Eric both who are due to retire by rotation at the forthcoming twenty-third AGM, be eligible to stand for re-election. The Directors have expressed their intention for re-election at the forthcoming twenty-third AGM.

Criteria has 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 Company will be adopting the recommendations of Malaysian Code on Corporate Governance ("MCCG") for tenure of an independent director that has exceeded a cumulative term of nine (9) years, the independent director may continue to serve on the board subject to board's justification and to seek annual shareholders' approval. For independent director who has served after the twelfth (12) year, the Board shall seek annual shareholders' approval through a two-tier voting process.

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 generally 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 judgement. Therefore, it has determined at the assessment carried out that Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Abdul Jabbar Bin Abdul Majid, who have served the Board for more than nine (9) years, remain objective and independent in expressing their views and in participating in deliberation and discussion 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. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) 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 is therefore recommending to the shareholders at the forthcoming twenty-third AGM to retain Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Abdul Jabbar Bin Abdul Majid as the independent directors of the Company respectively. Both the directors have expressed their intention for re-election through the two-tier voting process at the forthcoming twenty-third AGM.

4. BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTOR EVALUATION

The NRC is 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, term of office of the audit committee and performance of the audit committee and each of its members annually, the performance of each existing Director and its Independent Directors.

The evaluation process is led by the Chairman of the NRC and assisted by the Company Secretary and Corporate Services Workgroup, and is carried out in three stages:

Stage 1
Assessment Sheets

- Each director completes the assessment sheets distributed by the Corporate Services Workgroup. The assessment sheets are annually reviewed by the Board Members.
- Each director also undertakes a self-assessment of their individual performance during the financial year based on the criteria of experience, knowledge, participation, judgement, decision making and leadership and competence in understanding their role.

Stage 2
Evaluation

- The evaluation includes a review of the administration of the Board and its Committees covering their operations, agendas, reports, and information produced for consideration and relationship with Management.

Stage 3
Reporting & Discussion with the Board

- Completed assessments will be compiled by Company Secretary to generate summary report.
- The evaluation process is led by the NRC Chairman, assisted by Company Secretary and Corporate Services Workgroup.
- Areas of concern for continuous improvements were recommended to the Board.

5. SUMMARY OF WORK DONE BY THE COMMITTEE

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

- Reviewed the mix of skill and experience and other qualities of the Board;
- Assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- Discussed the Company's 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;
- Discussed and reviewed of the Group's Succession planning;
- Reviewed the increment and performance incentives of the Group's employees;
- Reviewed the Company's Directors' meeting allowances;
- Reviewed the Employment Contract/The Senior Management; and
- Reviewed the term of office of the Audit Committee ("AC") members and assessed the performance of the AC and its members.

The Terms of reference of the NRC is made available for reference in the Company's website at www.opcom.com.my.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Opcom Holdings Berhad ("Board") is pleased to provide the following Statement on Risk Management and Internal Control of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2018, which has been prepared in accordance with the "Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers" ("Guidelines") issued by 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.

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.

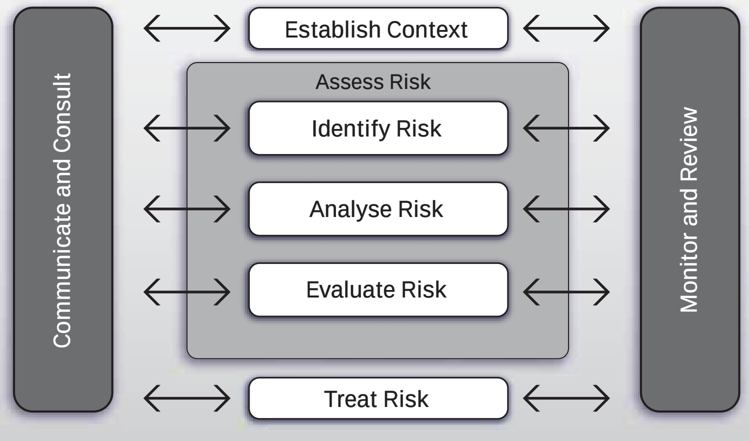
RISK MANAGEMENT FRAMEWORK

The Board and Management drive a proactive risk management culture to ensure that the Group's Management and Head of Workgroups have a better and clear understanding on these risk management principles.

The Group had a written Risk Management Policies and Procedures ("RMPP") with an objective to ensure a formal and consistent process of risk identification, assessment, acceptance and treatment is carried out within the Group.

Under the RMPP, the role and responsibilities of the Board, Audit Committee and Risk Management Committee ("RMC") is defined. The composition of RMC is made up of individual head of business units and the head of functional workgroups such as human resources, finance, MIS, production & technical, etc, primary to assist the Board and Audit Committee in the management of risks and control responsibilities. A RMC Chairman is appointed from the committee to govern the operations of the RMC.

The Group's Risk Management Committee had adopted the ISO31000:2009 which had superseded AS/NSZ 4360:2004 Risk Management Standard, for the establishment and implementation of the Risk Management Process within the Group. The overview of the Risk Management Process is depicted in the following diagram:



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The overview of the Risk Management Process involves the systematic establishment of strategic and organisational context, identifying, analysing, assessing, evaluation and monitoring and/or reporting on the risks that may affect the achievement of the business objectives. This process helps to reduce the Group's internal and external uncertainty environment, thus allowing it to maximise business opportunities.

Once the gross risk is being identified with its likelihood rating and impact level determined, the Management further identifies the existing control procedures on identified risk and the controls effectiveness, to determine the remaining risk known as Residue Risks. The Group's Residue Risks are plotted in the Risk Map (as indicated in the below table) to assist Management in prioritising their efforts and appropriately gauge the acceptability and managing the different classes of risks.

Probability/Likelihood	Consequences/Impact				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 - Almost Certain					
4 - Likely					
3 - Possible					
2 - Unlikely					
1 - Rare					

Insignificant Low Moderate High Extremely High

Monthly RMC meeting is held to continue monitor and review with management action plan to mitigate the risk. The RMC also had ad-hoc meeting arrangement on any crisis management that might arise.

INTERNAL AUDIT

The Group appoints 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.

Areas which the internal auditors reviewed during the year are as follow:

- Enterprise risk management adequacy review
- Information technology general controls
- Production cycle – Opcom Cables
- Hire to retire

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 provide 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.

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 recognise 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.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

MANAGEMENT RESPONSIBILITIES AND BOARD ASSURANCE AND LIMITATION

The Board uses the following key controls, processes, and information and review mechanisms to follow-up on the progress of management actions and to derive comfort on the state of internal control and risk management in the Group:

- A Risk Management Committee has been set up to constantly identify, evaluate and monitor significant risks faced by the Group. The said committee is also responsible for the development of risk mitigation strategies and plans;
- Board discussions with the management during the board meetings on business and operational issues as well as the measures taken by the management to mitigate and manage risks associated with the business environment;
- The Executive Directors and Chief Operating Officer of the business unit meet frequently to discuss and review the cash flows, financial and business units' performances, funding and operational issues in order to ensure that challenges and risks are addressed timely and appropriately;
- The Audit Committee reviews and discusses with the management the unaudited quarterly financial results to monitor the Group's performance; and
- The Audit Committee also discusses with the External Auditors on the key concerns and findings on financial and internal control matters at the audit planning, interim and final stage of the audit, and the follow-up actions by the management.

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

- **Standard Operating Procedures and Control Policy**
  Group-wide policies and procedures are in place to facilitate communications and awareness of accountability and control procedures for key business units. The policies and procedures are available and accessible by the relevant employees.
- **Organisation Structure and Authorisation Matrix**
  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 require the authorisation of the relevant levels of senior management.
- **Budgetary Review**
  The Group's management team monitors 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 operations committee meetings. The Group's management team 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 system of internal control is also structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on objectives rising from a future event or situation is at a level acceptable to the business. It achieves this through a combination of prevention, detective and corrective measures. It is possible that internal control maybe circumvented or overridden. 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 and tested periodically, 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. The Management has given the assurance that 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 2018.

Review of Statement on Internal Control by External Auditors

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Ace Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised 2015): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

FINANCIAL STATEMENTS

42	Directors' Report
46	Independent Auditors' Report
50	Statements of Profit or Loss and Other Comprehensive Income
51	Statements of Financial Position
53	Statements of Changes in Equity
55	Statements of Cash Flows
58	Notes to the Financial Statements
105	Statement by Directors
106	Declaration by the Director Primarily Responsible for the Financial Management of the Company

DIRECTORS' REPORT

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 2018.

PRINCIPAL ACTIVITIES

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

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary and associated companies are disclosed in Note 14 and Note 15 to the financial statements respectively.

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	6,177,497	3,876,890
Income tax (expense)/credit	(742,112)	87,494
Profit for the year	5,435,385	3,964,384
Attributable to:		
Owners of the Company	6,684,807	
Non-controlling interests	(1,249,422)	
	5,435,385	

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 the current financial year is as follows:

	RM
An interim single-tier dividend of 2.00 sen per ordinary share paid on 8 September 2017	3,224,999

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

There was no issuance of shares or 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 of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, 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 were 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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

As of 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 would 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

As of 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 liabilities 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 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 in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

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

* These directors are also directors of the Company's subsidiaries.

The directors of the subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report (not including those directors listed above) are:

Tok Puan Norzieta Zakaria
Lim Bee Khin
Mirzan Mahathir
Arun Bansal
Datuk Muthanna Abdullah
Patrick Rolf Johansson
Ahmad Bazlan Bin Che Kasim

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors as of the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	No. of ordinary shares			
	Balance as of 1.4.2017	**Bought**	**Sold**	**Balance as of 31.3.2018**
Shares in the Company				
Registered in the name of the directors				
Chhoa Kwang Hua	580,900	60,000	–	640,900
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	715,625	120,000	–	835,625
Abdul Jabbar Bin Abdul Majid	625,000	–	–	625,000
Sven Janne Sjöden	120,000	–	–	120,000

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 as of the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during or as of 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 a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable as disclosed in Note 8 of 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 29 to the financial statements.

During and as of 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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a directors and officers liability insurance for the purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Group. The amount of insurance premium paid during the year amounted to RM8,360.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 March 2018 is as disclosed in Note 8 to the financial statements.

AUDITORS

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

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

TAN SRI MOKHZANI MAHATHIR

CHHOA KWANG HUA

Petaling Jaya,
25 June 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OPCOM HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **OPCOM HOLDINGS BERHAD**, which comprise the statements of financial position as of 31 March 2018 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 50 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2018, and of their financial performance and their 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, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	
Impairment of investment in an associated company	**Our audit performed and responses thereon**
The Group owns 40% in Unigel (UK) Limited ("UUK"), an associated company incorporated in the United Kingdom. In prior years, the Group had recognised an impairment loss of RM3,202,214 in respect of their investment in this associated company as a result of poor financial performance. The Group assesses whether there is any indication that the investment in UUK may be impaired at the end of the reporting period as well as considering whether any indicators may no longer exist for previously recognised impairment losses.	Our audit included the following procedures: • We reviewed the management's assessment of indicators of impairment loss as of the end of the reporting period. • We involved our internal specialists in reviewing the impairment assessment performed by management on the investment in associated companies including the validity of transactional data used for other inputs and its mechanical integrity. • We evaluated management's projected cash flows and the process by which they were developed to ensure key inputs are in line with projected cash flows approved by the Board of Directors.

Key Audit Matters (Cont'd)

Impairment of investment in an associated company	Our audit performed and responses thereon
During the financial year, there are indications, due to favourable market conditions, that the impairment loss recognised in prior years may no longer exist as the associated company was able to generate profit as disclosed in Note 15 to the financial statements. The Group has recognised a reversal of impairment loss on the investment in UUK of RM3,302,006 in the current financial year. The Group calculates the recoverable amount of the said investment for the reversal of impairment loss using the discounted cash flow model. This model involves forecasting and discounting of future cash flows and estimating recoverable amounts which require management's use of certain key assumptions on the discount rate and the growth rates which are judgmental. Refer to key sources of estimation uncertainty in Note 4, and investment in associated companies in Note 15 to the financial statements	Our audit included the following procedures: • We evaluated whether the key assumptions in particular the revenue growth and discount rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the industry and, by involving our internal specialist. • We compared the recoverable amount against the carrying amount of the investment in the associated company as of the end of the reporting period to ensure that the reversal of the impairment loss shall not exceed the carrying amount that would have been determined, had no impairment loss been recognised in prior years.

We have determined that there are no key audit matters to be communicated in our current year's report on the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

CHAN CHONG WEY
Partner - 02884/07/2019 J
Chartered Accountant

25 June 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Revenue	5	**103,871,844**	93,417,902	**8,264,832**	8,688,082
Cost of sales	6	**(86,951,436)**	(76,109,065)	**(3,509,156)**	(3,447,744)
Gross profit		**16,920,408**	17,308,837	**4,755,676**	5,240,338
Other income		**711,935**	2,289,376	**10,140**	170
Interest income		**883,677**	1,025,232	**161,894**	268,596
Distribution costs		**(3,078,598)**	(2,921,117)	**–**	–
Administrative expenses		**(9,549,481)**	(9,182,319)	**(1,050,820)**	(916,267)
Other expenses		**(3,913,830)**	(1,818,124)	**–**	–
Reversal of impairment loss on investment in associated companies	15	**3,302,006**	–	**–**	–
Finance costs	7	**(135,710)**	(129,033)	**–**	–
Share of results of associated companies		**1,037,090**	1,537,365	**–**	–
Profit before tax	8	**6,177,497**	8,110,217	**3,876,890**	4,592,837
Income tax (expense)/credit	10	**(742,112)**	(2,187,106)	**87,494**	(471,824)
Profit for the year		**5,435,385**	5,923,111	**3,964,384**	4,121,013
Other comprehensive (loss)/income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Translation differences		**(3,923,822)**	2,813,327	**–**	–
Total comprehensive income for the year		**1,511,563**	8,736,438	**3,964,384**	4,121,013
Profit/(Loss) for the year attributable to:					
Owners of the Company		**6,684,807**	7,196,763	**3,964,384**	4,121,013
Non-controlling interests		**(1,249,422)**	(1,273,652)	**–**	–
		5,435,385	5,923,111	**3,964,384**	4,121,013
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		**2,760,985**	10,010,090	**3,964,384**	4,121,013
Non-controlling interests		**(1,249,422)**	(1,273,652)	**–**	–
		1,511,563	8,736,438	**3,964,384**	4,121,013
Earnings per share					
Basic (sen per share)	11	**4.1**	4.5		

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

STATEMENTS OF FINANCIAL POSITION

AS OF 31 MARCH 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	12	**40,594,852**	42,271,895	**12,932,093**	13,186,660
Investment properties	13	**-**	–	**10,786,169**	10,966,730
Investment in subsidiary companies	14	**-**	–	**20,135,002**	14,200,004
Investment in associated companies	15	**17,254,479**	16,575,303	**-**	–
Deferred tax assets	23	**29,622**	30,623	**-**	–
Total Non-current Assets		**57,878,953**	58,877,821	**43,853,264**	38,353,394
Current Assets					
Inventories	16	**13,370,311**	9,982,934	**-**	–
Trade receivables	17	**21,074,416**	10,631,993	**-**	–
Other receivables and prepaid expenses	18	**1,971,696**	3,895,597	**184,203**	198,950
Amount owing by subsidiary companies	29	**-**	–	**112,686**	5,715,751
Amount owing by associated companies	29	**11,916,300**	10,939,801	**-**	–
Amount owing by related party	29	**18,705**	20,305	**18,705**	20,305
Tax recoverable		**1,024,361**	918,792	**-**	108,743
Cash and cash equivalents	19	**22,077,358**	36,610,475	**4,095,406**	7,357,855
Total Current Assets		**71,453,147**	72,999,897	**4,411,000**	13,401,604
Total Assets		**129,332,100**	131,877,718	**48,264,264**	51,754,998

STATEMENTS OF FINANCIAL POSITION

AS OF 31 MARCH 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	20	**32,249,987**	32,249,987	**32,249,987**	32,249,987
Reserves	22	**55,938,861**	56,402,875	**13,909,506**	13,170,121
Equity attributable to owners of the Company		**88,188,848**	88,652,862	**46,159,493**	45,420,108
Non-controlling interests		**10,520,703**	11,670,125	**-**	-
Total Equity		**98,709,551**	100,322,987	**46,159,493**	45,420,108
Non-current Liabilities					
Deferred tax liabilities	23	**943,575**	1,713,714	**773,994**	1,674,058
Hire-purchase payables - non-current portion	28	**18,013**	70,636	**-**	-
Total Non-current Liabilities		**961,588**	1,784,350	**773,994**	1,674,058
Current Liabilities					
Trade payables	24	**14,155,831**	9,617,120	**-**	-
Other payables and accrued expenses	25	**3,271,165**	3,838,001	**326,959**	502,564
Amount owing to subsidiary companies	29	**-**	-	**982,449**	4,156,693
Amount owing to corporate shareholder of a subsidiary company	29	**8,062,174**	8,913,457	**-**	-
Amount owing to associated company	29	**-**	562,205	**-**	-
Amount owing to related parties	29	**299,109**	2,646,714	**3,575**	1,575
Bank borrowings (unsecured)	26	**3,678,154**	3,898,194	**-**	-
Provision for liquidated damages	27	**133,936**	134,504	**-**	-
Hire-purchase payables - current portion	28	**42,798**	48,992	**-**	-
Tax liabilities		**17,794**	111,194	**17,794**	-
Total Current Liabilities		**29,660,961**	29,770,381	**1,330,777**	4,660,832
Total Liabilities		**30,622,549**	31,554,731	**2,104,771**	6,334,890
Total Equity and Liabilities		**129,332,100**	131,877,718	**48,264,264**	51,754,998

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

The Group

	Note	◄ Non-distributable reserves	►		Distributable reserve			
		Share capital RM	Capital reserve RM	Translation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
As of 1 April 2016		32,249,987	3,283	1,462,249	48,152,252	81,867,771	12,943,777	94,811,548
Profit/(Loss) for the year		–	–	–	7,196,763	7,196,763	(1,273,652)	5,923,111
Other comprehensive income		–	–	2,813,327	–	2,813,327	–	2,813,327
Total comprehensive income/(loss) for the year		–	–	2,813,327	7,196,763	10,010,090	(1,273,652)	8,736,438
Dividends	21	–	–	–	(3,224,999)	(3,224,999)	–	(3,224,999)
As of 31 March 2017		32,249,987	3,283	4,275,576	52,124,016	88,652,862	11,670,125	100,322,987
As of 1 April 2017		32,249,987	3,283	4,275,576	52,124,016	88,652,862	11,670,125	100,322,987
Profit/(Loss) for the year		–	–	–	6,684,807	6,684,807	(1,249,422)	5,435,385
Other comprehensive loss		–	–	(3,923,822)	–	(3,923,822)	–	(3,923,822)
Total comprehensive income/(loss) for the year		–	–	(3,923,822)	6,684,807	2,760,985	(1,249,422)	1,511,563
Issuance of shares to non-controlling interests		–	–	–	–	–	100,000	100,000
Dividends	21	–	–	–	(3,224,999)	(3,224,999)	–	(3,224,999)
As of 31 March 2018		**32,249,987**	**3,283**	**351,754**	**55,583,824**	**88,188,848**	**10,520,703**	**98,709,551**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

The Company

	Note	Share capital RM	Distributable reserve Retained earnings RM	Total RM
As of 1 April 2016		32,249,987	12,274,107	44,524,094
Total comprehensive income for the year		–	4,121,013	4,121,013
Dividends	21	–	(3,224,999)	(3,224,999)
As of 31 March 2017		32,249,987	13,170,121	45,420,108
As of 1 April 2017		32,249,987	13,170,121	45,420,108
Total comprehensive income for the year		–	3,964,384	3,964,384
Dividends	21	–	(3,224,999)	(3,224,999)
As of 31 March 2018		**32,249,987**	**13,909,506**	**46,159,493**

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES				
Profit before tax	**6,177,497**	8,110,217	**3,876,890**	4,592,837
Adjustments for:				
Depreciation of property, plant and equipment	**3,175,934**	2,983,667	**278,309**	266,374
Finance costs	**135,710**	129,033	**-**	-
Provision for liquidated damages - net	**22,220**	100,670	**-**	-
Inventories written down to net realisable value	**110,204**	89,062	**-**	-
Property, plant and equipment written off	**10,734**	35,567	**10,734**	1,569
Share of results of associated companies	**(1,037,090)**	(1,537,365)	**-**	-
Interest income	**(883,677)**	(1,025,232)	**(161,894)**	(268,596)
Allowance for inventory obsolescence no longer required	**(365,221)**	(159,873)	**-**	-
Net fair value gain on financial liabilities at FVTPL	**-**	(99,003)	**-**	-
Gain on disposal of property, plant and equipment	**-**	(73,870)	**-**	-
Unrealised loss/(gain) on foreign exchange	**501,368**	(58,976)	**-**	-
Reversal of impairment loss on investment in associated companies	**(3,302,006)**	-	**-**	-
Dividend income from subsidiary company	**-**	-	**(810,000)**	(1,000,000)
Depreciation of investment properties	**-**	-	**302,380**	245,731
Operating Profit Before Working Capital Changes	**4,545,673**	8,493,897	**3,496,419**	3,837,915
(Increase)/Decrease in:				
Inventories	**(3,564,271)**	(1,796,445)	**-**	-
Trade receivables	**(10,752,858)**	(50,538)	**-**	-
Other receivables and prepaid expenses	**1,923,901**	(2,252,934)	**14,747**	164,405
Amount owing by subsidiary companies	**-**	-	**603,065**	(565,103)
Amount owing by associated companies	**(2,583,965)**	(230,643)	**-**	-
Amount owing by related party	**1,600**	(54,876)	**1,600**	(18,055)
Increase/(Decrease) in:				
Trade payables	**6,068,834**	4,267,574	**-**	-
Other payables and accrued expenses	**(564,166)**	(1,174,457)	**(175,605)**	(458,072)
Amount owing to subsidiary companies	**-**	-	**(3,174,244)**	(1,493,923)
Amount owing to associated company	**(492,742)**	499,292	**-**	-
Amount owing to related parties	**(2,227,283)**	1,650,028	**2,000**	-
Cash (Used In)/Generated From Operations	**(7,645,277)**	9,350,898	**767,982**	1,467,167
Income tax paid	**(1,734,439)**	(2,923,798)	**(686,033)**	(658,500)
Liquidated damages paid	**(22,788)**	(61,734)	**-**	-
Net Cash (Used In)/From Operating Activities	**(9,402,504)**	6,365,366	**81,949**	808,667

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Additions to property, plant and equipment [Note (i)]	**(2,114,807)**	(6,565,111)	**(34,476)**	(121,650)
Additions to investment properties	**-**	–	**(121,819)**	(1,062,945)
Proceeds from disposal of property, plant and equipment	**-**	73,870	**-**	–
Interest received	**883,677**	1,025,232	**161,894**	268,596
Final adjusted consideration for the acquisition of associated companies	**-**	(232,921)	**-**	–
Dividends received:				
Subsidiary companies	**-**	–	**810,000**	1,000,000
Associated companies	**1,643,482**	–	**-**	–
Acquisition of investment in subsidiary companies	**-**	–	**(934,998)**	–
Proceeds from shares issued to non-controlling interests of a subsidiary company	**100,000**	–	**-**	–
Net Cash From/(Used In) Investing Activities	**512,352**	(5,698,930)	**(119,399)**	84,001
CASH FLOWS USED IN FINANCING ACTIVITIES				
Dividends paid	**(3,224,999)**	(3,224,999)	**(3,224,999)**	(3,224,999)
Proceeds from bank borrowings - net	**295,194**	163,721	**-**	–
Finance costs paid	**(135,710)**	(129,033)	**-**	–
Repayment to corporate shareholder of a subsidiary company	**(851,283)**	(1,003,666)	**-**	–
Repayment of hire-purchase payables	**(58,817)**	(30,372)	**-**	–
Net Cash Used In Financing Activities	**(3,975,615)**	(4,224,349)	**(3,224,999)**	(3,224,999)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(12,865,767)**	(3,557,913)	**(3,262,449)**	(2,332,331)
Effect of exchange rate fluctuations on cash held	**(1,667,350)**	10,759	**-**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**36,610,475**	40,157,629	**7,357,855**	9,690,186
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 19)	**22,077,358**	36,610,475	**4,095,406**	7,357,855

Notes:

(i) During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM2,114,807 (2017: RM6,715,111) of which RM Nil (2017: RM150,000) was acquired under hire-purchase arrangement. Cash payments for the acquisition of property, plant and equipment of the Group amounted to RM2,114,807 (2017: RM6,565,111).

(ii) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group as cash flows from/(used in) financing activities.

	As of 1 April 2017 RM	Cash flows RM	Non-cash changes - Currencies translation differences RM	As of 31 March 2018 RM
The Group				
Bank borrowings	3,898,194	295,194	(515,234)	**3,678,154**
Hire-purchase payables	119,628	(58,817)	–	**60,811**
Amount owing to corporate shareholder of a subsidiary company	8,913,457	(851,283)	–	**8,062,174**

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 information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary and associated companies are disclosed in Note 14 and Note 15 respectively.

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 25 June 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Application of amendments to MFRSs
In the current year, the Group and the Company have applied a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting period that begins on or after 1 April 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle

Other than the disclosure required by Amendments to MFRS 107 on reconciliation of liabilities arising from financing activities is disclosed on Statements of Cash Flows, the adoption of these amendments to MFRSs have not effected the amounts reported in the financial statements of the Group and of the Company for the current year and prior year.

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

Standards, Amendments and Issues Committee Interpretations ("IC Int") in issue but not yet effective
At the date of authorisation for issue of these financial statements, the new Standards, Amendments and IC Int which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

MFRS 9	Financial Instruments[1]
MFRS 15	Revenue from Contracts with Customers (and the related clarification)[1]
MFRS 16	Leases[2]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts[1]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[2]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[2]
Amendments to MFRS 140	Transfers of Investment Property[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015-2017 Cycle[2]
IC Int 22	Foreign Currency Transactions and Advance Consideration[1]
IC Int 23	Uncertainty over Income Tax Treatments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
[4] Effective date defer to a date to be determined and announced by MASB.

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

MFRS 9 Financial Instruments
MFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. MFRS 9 was subsequently amended in October 2010 to include the new requirements for general hedge accounting. Another revised version of MFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial asset and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* are recognised to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

MFRS 9 Financial Instruments (Cont'd)
Key requirements of MFRS 9: (Cont'd)

- With regards to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liabilities, is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity's risk management activities have also been introduced.

The Group and the Company will apply MFRS 9 effectively on 1 April 2018. The directors of the Group and Company anticipate that upon adoption of MFRS 9:

- Financial assets and financial liabilities of the Group and the Company which are currently carried at amortised costs and fair value through profit or loss ("FVTPL") respectively under MFRS 139 will continue to be measured on the same basis.

- The application of expected credit loss model of MFRS 9 is expected to result in earlier recognition of credit losses for the Group's trade receivables, and thus, increase the amount of loss allowance recognised.

- There will be no impact arising from the new general hedge accounting requirements as the Group and the Company do not adopt hedge accounting.

MFRS 15 Revenue from Contracts with Customers
MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

MFRS 15 Revenue from Contracts with Customers (Cont'd)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Group's revenue from its continuing operations comprises mainly revenue from sales of goods, engineering services revenue, dividend income from investment, interest income and rental income. Apart from providing more extensive disclosure on the Group's revenue transactions, the directors of the Group does not anticipate the application of MFRS 15 will have a significant impact on the financial position and/or the financial performance of the Group.

MFRS 16 Leases

MFRS 16 specifies how a MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

Management anticipates that the initial application of the new MFRS 16 will result in changes to the accounting policies relating to leases. Management will perform an assessment of the possible impact of implementing MFRS 16. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment.

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 other than as disclosed in the summary of accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 inputs are quoted prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (Cont'd)

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.

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. Dividends received and receivable from associated companies are recognised as a reduction in the carrying amount of the investment. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in Associated Companies (Cont'd)

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 MFRS139. 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.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(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 income

Revenue from services rendered is recognised in profit or loss when services are rendered. Revenue from engineering services is recognised net of discounts when rendering of services has been completed.

(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 properties is recognised on a straight-line basis over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Unigel Compounds Sdn. Bhd. ("UCSB"), the subsidiary company, which the functional currency is the United States of America Dollar ("USD").

(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. Such translation differences are recognised in profit or loss in the period in which the subsidiary company is disposed of.

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Non-Financial Assets (Cont'd)
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.

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.

Operating Lease Payments
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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 profit or loss as incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

Depreciation of property, plant and equipment, except for construction in progress which is not depreciated, 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 property, 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.

Property, Plant and Equipment Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations are treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Property, plant and equipment under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Investment Properties

Investment properties are properties which are held to earn rentals and/or for capital appreciation (including property under construction for such purpose).

Investment properties are measured at cost less accumulated depreciation and any impairment.

Building under construction within investment properties is not depreciated. Buildings are depreciated over the estimated economic useful lives of 50 years at an annual rate of 2%.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 weighted average method.

Cost of materials comprises the original purchase price plus the costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods include the costs of raw materials, direct labour, other direct costs and appropriate production overheads.

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.

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.

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' ("AFS") 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. The financial assets of the Group and of the Company are classified as 'loans and receivables'.

(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) 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.

(c) 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 recognised in profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(i) Financial assets (Cont'd)

(d) 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.

On derecognition of a financial asset in its entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(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 classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises derivatives and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 that 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.

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.

Critical accounting judgements

In the process of applying the Group's and the Company's accounting policies as described in Note 3, management is of the opinion that there are no instances of application of judgement that are expected to have a significant effect on the amounts recognised in the financial statements.

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:

(a) Impairment of investment in associated companies

The Group records an impairment of investment in associated companies when the recoverable amount of the investment in associated companies is less than the carrying value. This calculation requires the use of estimates and judgements. The recoverable amount of Unigel (UK) Limited and its subsidiary company was based on its value-in-use using the discounted cash flow method. The projected cash flows are estimated based on expected future cash flow that arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows covering a five year period, based on management's past experience and future expectations. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after fifth year. The key assumptions are disclosed in Note 15.

(b) 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 including unutilised reinvestment allowances 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.

(c) Allowance for inventory obsolescence

The Group provides an allowance for inventory losses whenever net realisable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The allowance account is reviewed periodically to reflect the accurate valuation in the financial records.

The carrying amount of inventories and the allowance for inventory obsolescence at the end of the reporting period are as disclosed in Note 16.

5. REVENUE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sales of cables	**51,528,682**	55,468,868	**–**	–
Sales of accessories	**11,614,691**	5,403,833	**–**	–
Sales of oil based industrial materials	**9,074,614**	14,973,740	**–**	–
Sales of thixotropic gel	**21,947,694**	8,136,823	**–**	–
Engineering services income	**9,636,791**	9,366,016	**–**	–
Rental income from:				
Related parties (Note 29)	**22,500**	21,750	**22,500**	21,750
Subsidiary companies (Note 29)	**–**	–	**3,893,460**	4,127,460
Others	**46,872**	46,872	**46,872**	46,872
Management fee receivable from subsidiary companies (Note 29)	**–**	–	**3,492,000**	3,492,000
Dividend income from subsidiary company (Note 29)	**–**	–	**810,000**	1,000,000
	103,871,844	93,417,902	**8,264,832**	8,688,082

6. COST OF SALES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cost of cables and accessories	**48,777,234**	44,205,291	**–**	–
Purchase of oil based industrial materials	**8,774,620**	14,780,382	**–**	–
Cost of thixotropic gel	**20,817,495**	7,991,017	**–**	–
Engineering services cost	**8,582,087**	9,132,375	**–**	–
Cost of property maintenance and management	**–**	–	**3,509,156**	3,447,744
	86,951,436	76,109,065	**3,509,156**	3,447,744

7. FINANCE COSTS

	The Group	
	2018	2017
	RM	RM
Interest expense on:		
Bank borrowings	**125,973**	126,855
Hire-purchase	**3,521**	2,178
Others	**6,216**	–
	135,710	129,033

8. PROFIT BEFORE TAX

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Employee benefits expense (Note 9)	**8,956,800**	8,596,994	**39,882**	117,604
Loss/(Gain) on foreign exchange:				
Realised	**492,153**	975,124	**–**	–
Unrealised	**501,368**	(58,976)	**–**	–
Depreciation of property, plant and equipment (Note 12)	**3,175,934**	2,983,667	**278,309**	266,374
Directors' remuneration:				
Salaries and other emoluments	**816,127**	712,897	**120,000**	109,500
Fees	**322,000**	292,575	**144,000**	144,000
Auditors' remuneration:				
Statutory	**180,000**	150,000	**58,000**	58,000
Non-statutory	**6,000**	5,000	**6,000**	5,000
Provision for liquidated damages - net (Note 27)	**22,220**	100,670	**–**	–
Rental payable to related parties (Note 29):				
Plant and machinery	**677,936**	–	**–**	–
Motor vehicles	**27,000**	54,000	**–**	–
Office	**67,200**	51,600	**67,200**	51,600
Property, plant and equipment written off	**10,734**	35,567	**10,734**	1,569
Inventories written down to net realisable value (Note 16)	**110,204**	89,062	**–**	–
Interest income from:				
Deposits with licensed banks	**(694,839)**	(835,667)	**(161,894)**	(268,596)
Amount owing by associated companies (Note 29)	**(188,838)**	(189,565)	**–**	–
	(883,677)	(1,025,232)	**(161,894)**	(268,596)
Allowance for inventory obsolescence no longer required (Note 16)	**(365,221)**	(159,873)	**–**	–
Net fair value gain on financial liabilities at FVTPL	**–**	(99,003)	**–**	–
Gain on disposal of property, plant and equipment	**–**	(73,870)	**–**	–
Depreciation of investment properties (Note 13)	**–**	–	**302,380**	245,731

9. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Wages and salaries	**6,199,478**	6,490,339	**–**	–
Pension costs:				
Defined contribution plans	**900,627**	855,758	**–**	–
Social security costs	**87,369**	83,962	**–**	–
Other benefits	**1,769,326**	1,166,935	**39,882**	117,604
	8,956,800	8,596,994	**39,882**	117,604

9. EMPLOYEE BENEFITS EXPENSE (CONT'D)

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Directors' remuneration:				
Fees	**322,000**	292,575	**144,000**	144,000
Salaries and other emoluments	**738,077**	653,325	**120,000**	109,500
Contributions to EPF	**78,050**	59,572	**-**	-
	1,138,127	1,005,472	**264,000**	253,500
Other key management personnel:				
Salary and other emoluments	**749,282**	478,723	**-**	-
Contributions to EPF	**83,349**	57,470	**-**	-
	832,631	536,193	**-**	-
Estimated monetary value of benefit-in-kind received/receivable by directors	**101,800**	186,572	**-**	-

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

10. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Estimated tax payable:				
Current year	**1,634,689**	2,306,959	**912,610**	844,571
Overprovision in prior years	**(165,880)**	(258,972)	**(100,040)**	(535,039)
	1,468,809	2,047,987	**812,570**	309,532
Deferred tax (Note 23):				
Current year	**104,950**	410,596	**(8,405)**	162,292
Overprovision in prior years	**(831,647)**	(271,477)	**(891,659)**	-
	(726,697)	139,119	**(900,064)**	162,292
Total	**742,112**	2,187,106	**(87,494)**	471,824

10. INCOME TAX EXPENSE/(CREDIT) (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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before tax	**6,177,497**	8,110,217	**3,876,890**	4,592,837
Tax expense at statutory tax rate of 24% (2017: 24%)	**1,482,600**	1,946,452	**930,454**	1,102,281
Tax effects of:				
Expenses that are not deductible for income tax purposes	**351,327**	755,032	**168,151**	144,582
Income that are not taxable for income tax purposes	**(818,932)**	(600,810)	**(194,400)**	(240,000)
Share of results of associated companies	**(248,902)**	(368,968)	**-**	-
Over provision in prior years:				
Current tax	**(165,880)**	(258,972)	**(100,040)**	(535,039)
Deferred tax	**(831,647)**	(271,477)	**(891,659)**	-
Deferred tax assets not recognised	**973,546**	985,849	**-**	-
	742,112	2,187,106	**(87,494)**	471,824

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the number of ordinary shares during the financial year.

	The Group	
	2018	2017
	RM	RM
Profit for the year attributable to owners of the Company	**6,684,807**	7,196,763
Number of ordinary shares	**161,249,937**	161,249,937
Basic EPS (sen)	**4.1**	4.5

(b) Diluted earnings per share

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

12. PROPERTY, PLANT AND EQUIPMENT

	Long-term leasehold land RM	Buildings RM	Construction in progress RM	Motor vehicles RM	Office equipment RM	Computer equipment RM	Plant and machinery RM	Renovations RM	Tools and equipment RM	Furniture, fixtures and fittings RM	Total RM
The Group											
Cost											
As of 1 April 2016	14,304,000	10,324,639	3,687,771	840,743	794,224	1,593,529	47,039,491	2,065,402	17,505	1,308,961	81,976,265
Additions	-	-	1,062,945	542,785	86,401	85,045	4,437,737	81,576	342,932	75,690	6,715,111
Disposals	-	-	-	(400,055)	-	(44,165)	(434,373)	-	-	(500)	(879,093)
Write-offs	-	-	-	-	(9,539)	(190,749)	(82,760)	(1,480)	(151)	(23,176)	(307,855)
Reclassification	-	4,750,716	(4,750,716)	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	50,333	24,205	17,859	186,877	-	17,498	1,873	298,645
As of 31 March 2017/1 April 2017	14,304,000	15,075,355	-	1,033,806	895,291	1,461,519	51,146,972	2,145,498	377,784	1,362,848	87,803,073
Additions	-	121,819	-	-	25,136	67,238	1,720,292	85,601	90,432	4,289	2,114,807
Write-offs	-	-	-	-	(29,927)	(80,218)	-	-	(900)	(8,411)	(119,456)
Currency translation differences	-	-	-	(56,404)	(28,954)	(24,209)	(406,155)	(6,092)	(171,268)	(5,185)	(698,267)
As of 31 March 2018	**14,304,000**	**15,197,174**	**-**	**977,402**	**861,546**	**1,424,330**	**52,461,109**	**2,225,007**	**296,048**	**1,353,541**	**89,100,157**
Accumulated Depreciation											
As of 1 April 2016	1,117,744	3,862,894	-	717,124	563,882	1,386,921	32,979,803	2,032,525	15,217	954,646	43,630,756
Charge for the year	223,572	245,731	-	114,704	53,607	80,593	2,166,108	24,820	35,569	38,963	2,983,667
Disposals	-	-	-	(400,054)	-	(44,165)	(434,374)	-	-	(500)	(879,093)
Write-offs	-	-	-	-	(9,162)	(190,716)	(49,146)	(1,096)	(140)	(22,028)	(272,288)
Currency translation differences	-	-	-	31,951	16,500	10,646	7,125	-	1,758	156	68,136
As of 31 March 2017/1 April 2017	1,341,316	4,108,625	-	463,725	624,827	1,243,279	34,669,516	2,056,249	52,404	971,237	45,531,178
Charge for the year	223,572	302,380	-	133,810	53,601	88,909	2,250,709	32,289	49,702	40,962	3,175,934
Write-offs	-	-	-	-	(19,338)	(80,193)	-	-	(899)	(8,292)	(108,722)
Currency translation differences	-	-	-	(14,803)	(21,151)	(14,961)	(33,046)	(376)	(8,051)	(697)	(93,085)
As of 31 March 2018	**1,564,888**	**4,411,005**	**-**	**582,732**	**637,939**	**1,237,034**	**36,887,179**	**2,088,162**	**93,156**	**1,003,210**	**48,505,305**
Net Book Value											
As of 31 March 2017	12,962,684	10,966,730	-	570,081	270,464	218,240	16,477,456	89,249	325,380	391,611	42,271,895
As of 31 March 2018	**12,739,112**	**10,786,169**	**-**	**394,670**	**223,607**	**187,296**	**15,573,930**	**136,845**	**202,892**	**350,331**	**40,594,852**

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long-term leasehold land RM	Office equipment RM	Computer equipment RM	Renovations RM	Tools and equipment RM	Furniture, fixtures and fittings RM	Total RM
The Company							
Cost							
As of 1 April 2016	14,304,000	337,886	583,519	450,577	17,505	585,796	16,279,283
Additions	–	38,381	30,224	38,876	1,300	12,869	121,650
Write-offs	–	(9,539)	(190,749)	–	(151)	(23,176)	(223,615)
As of 31 March 2017/1 April 2017	14,304,000	366,728	422,994	489,453	18,654	575,489	16,177,318
Additions	–	14,636	18,990	850	–	–	34,476
Write-offs	–	(29,927)	(80,218)	–	(900)	(8,411)	(119,456)
As of 31 March 2018	**14,304,000**	**351,437**	**361,766**	**490,303**	**17,754**	**567,078**	**16,092,338**
Accumulated Depreciation							
As of 1 April 2016	1,117,744	293,168	522,158	444,689	15,217	553,354	2,946,330
Charge for the year	223,572	9,679	22,619	3,258	1,243	6,003	266,374
Write-offs	–	(9,162)	(190,716)	–	(140)	(22,028)	(222,046)
As of 31 March 2017/1 April 2017	1,341,316	293,685	354,061	447,947	16,320	537,329	2,990,658
Charge for the year	223,572	10,163	27,443	9,498	733	6,900	278,309
Write-offs	–	(19,338)	(80,193)	–	(899)	(8,292)	(108,722)
As of 31 March 2018	**1,564,888**	**284,510**	**301,311**	**457,445**	**16,154**	**535,937**	**3,160,245**
Net Book Value							
As of 31 March 2017	12,962,684	73,043	68,933	41,506	2,334	38,160	13,186,660
As of 31 March 2018	**12,739,112**	**66,927**	**60,455**	**32,858**	**1,600**	**31,141**	**12,932,093**

Included in property, plant and equipment of the Group is a motor vehicle under hire-purchase arrangement with net book value of RM182,501 (2017: RM236,760).

13. INVESTMENT PROPERTIES

The Company

	Buildings RM	Construction in progress RM	Total RM
Cost			
As of 1 April 2016	10,324,639	3,687,771	14,012,410
Additions	–	1,062,945	1,062,945
Reclassification	4,750,716	(4,750,716)	–
As of 31 March 2017/ 1 April 2017	15,075,355	–	15,075,355
Additions	121,819	–	121,819
As of 31 March 2018	**15,197,174**	**–**	**15,197,174**
Accumulated Depreciation			
As of 1 April 2016	3,862,894	–	3,862,894
Charge for the year	245,731	–	245,731
As of 31 March 2017/ 1 April 2017	4,108,625	–	4,108,625
Charge for the year	302,380	–	302,380
As of 31 March 2018	**4,411,005**	**–**	**4,411,005**
Net Book Value			
As of 31 March 2017	10,966,730	–	10,966,730
As of 31 March 2018	**10,786,169**	**–**	**10,786,169**

The buildings of the Company are located at the leasehold land as disclosed in Note 12.

Rental income earned by the Company from investment properties of which are leased out under operating leases, amounted to RM3,962,832 (2017: RM4,196,082) (Note 5). Direct operating expenses incurred in respect of the investment properties during the financial year amounted to RM629,156 (2017: RM567,744).

Fair value of the investment properties of the Company as of 31 March 2018 are estimated at RM21,050,000 (2017: RM21,050,000) 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 properties are classified as a Level 3 for the purposes of fair value hierarchy disclosures.

The fair value of investment property at Level 3 are reference to previous sales of similar properties in the vicinity on a price per square foot basis. Any changes in the price per square foot would result in a reasonable change in the fair value of the investment property.

Property that is occupied by the subsidiary companies of the Company are accounted for as owner-occupied rather than as investment property. As such, investment property of the Company amounting to RM10,786,169 (2017: RM10,966,730), which are occupied by its subsidiary companies, have been reclassified as property, plant and equipment of the Group.

14. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2018 RM	The Company 2017 RM
Unquoted shares, at cost	**20,135,002**	14,200,004

During the financial year:

(a) The Company acquired additional equity interests in Unigel Compounds Sdn. Bhd. amounting to RM5,000,000 (2017: RM500,000) through the offsetting against amount owing by subsidiary company.

(b) The Company acquired additional equity interests in Opcom Trading Sdn. Bhd. amounting to RM34,998 (2017: RMNil) for a total cash consideration of RM34,998.

(c) The Company acquired 90% equity interests in Opcom Engineering Services Sdn. Bhd., a newly incorporated company in Malaysia, for a total cash consideration of RM900,000.

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

Name of subsidiary	Principal activities	Proportion of ownership interest and voting power 2018 %	2017 %	Place of incorporation
Opcom Cables Sdn. Bhd. ("OCSB")	Manufacturing of fiber optic cables, systems accessories and provision of engineering services	**70**	70	Malaysia
Unigel Compounds Sdn. Bhd.	Manufacturing and trading of cable filling and flooding compounds, and trading of industrial products	**100**	100	Malaysia
Opcom Shared Services Sdn. Bhd.	Provision of human resource management services	**100**	100	Malaysia
Opcom Engineering Services Sdn. Bhd.	Trading of industrial materials and provision of engineering services	**90**	–	Malaysia
Opcom Trading Sdn. Bhd.	Dormant	**100**	100	Malaysia

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiary companies 2018	2017
Manufacturing and trading of cable filling and flooding compounds, and trading of industrial products	Malaysia	**1**	1
Provision of human resource management services	Malaysia	**1**	1
Dormant company	Malaysia	**1**	1
		3	3

Principal activities	Place of incorporation and operation	Number of non-wholly-owned subsidiary companies 2018	2017
Manufacturing of fiber optic cables, systems and accessories and provision of engineering services	Malaysia	**1**	1
Trading of industrial materials and provision of engineering services	Malaysia	**1**	–
		2	1

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Non-controlling interest in subsidiary companies

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

	2018 RM	2017 RM
OCSB		
NCI percentage of ownership interest and voting interest	**30%**	30%
Carrying amount of NCI	**10,414,896**	11,670,125
Loss allocated to NCI	**(1,255,230)**	(1,273,652)

	2018 RM	2017 RM
Summarised financial information before intra-group elimination		
As of 31 March		
Non-current assets	**12,256,799**	13,935,708
Current assets	**43,805,601**	42,586,142
Current liabilities	**(21,346,081)**	(17,621,435)
Net assets	**34,716,319**	38,900,415
Year ended 31 March		
Revenue	**72,263,940**	70,239,005
Total comprehensive loss for the year	**(4,184,096)**	(4,245,508)
Cash flows used in operating activities	**(7,749,100)**	(4,651,688)
Cash flows used in investing activities	**(76,160)**	(465,541)
Cash flows used in financing activities	**(851,283)**	(1,003,666)
Net decrease in cash and cash equivalents	**(8,676,543)**	(6,120,895)
Dividends paid to NCI	**-**	-

15. INVESTMENT IN ASSOCIATED COMPANIES

	The Group 2018 RM	The Group 2017 RM
Unquoted shares, at cost	**11,268,569**	12,912,051
Share of post-acquisition reserves	**3,601,530**	2,564,440
Currency translation differences	**2,384,380**	4,301,026
	17,254,479	19,777,517
Less: Accumulated impairment losses	**-**	(3,202,214)
	17,254,479	16,575,303
Movement in accumulated impairment losses:		
At beginning of year	**3,202,214**	3,202,214
Reversal of impairment loss	**(3,302,006)**	–
Currency translation differences	**99,792**	–
At end of year	**-**	3,202,214

(a) Details of the Group's associated companies as of the end of reporting period are as follows:

Name of associated companies	Place of incorporation	Proportion of ownership interest and voting power 2018 %	Proportion of ownership interest and voting power 2017 %	Principal activities
Direct				
Unigel IP Limited	Hong Kong	**40**	40	Provision of licensing services for intellectual property rights
Unigel (UK) Limited	United Kingdom	**40**	40	Manufacture and sales of cable filling and flooding compounds and associated pumping and delivery equipment
Indirect				
Unigel Incorporated[(i)]	United States of America	**40**	40	Manufacture and sales of cable filling and flooding compounds

[(i)] Unigel Incorporated is a wholly-owned subsidiary of Unigel (UK) Limited.

(b) Pursuant to the Shareholders' Agreement, the Group has the right to cast 40% of the votes at shareholder meetings of the associated companies.

15. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(c) 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 the associated companies for the year ended 31 December 2017 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2018.

(d) Summarised financial information in respect of all associated companies are set out below:

	2018 RM	2017 RM
Current assets	**23,684,995**	25,472,208
Non-current assets	**14,140,764**	14,997,831
Current liabilities	**(20,468,537)**	(21,435,689)
Non-current liabilities	**(12,601)**	(29,558)
Net assets	**17,344,621**	19,004,792
Share of net assets of associated companies	**6,937,848**	7,601,917

	2018 RM	2017 RM
Revenue	**70,191,722**	63,091,352
Profit for the year	**2,592,730**	3,843,414
Dividend received	**1,643,482**	–

(e) Reconciliation of the above summarised financial information to the carrying amount of the interest in the associated companies recognised in the financial statements:

	The Group	
	2018 RM	2017 RM
Goodwill	**7,932,251**	4,672,360
Currency translation differences	**2,384,380**	4,301,026
Share of net assets of associated companies	**6,937,848**	7,601,917
	17,254,479	16,575,303

15. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(f) The Company records an impairment of investment in associated companies when the recoverable amount of the investment in associated companies is less than the carrying value. This calculation required the use of estimates and judgements.

The recoverable amount of Unigel (UK) Limited was based on its value-in-use using the discounted cash flow ("DCF") method. The projected cash flows are estimated based on expected future cash flows that arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows covering a five year period, based on management's past experience and future expectations. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after fifth year. The growth rates applied are those customarily for the country or market.

The key assumptions underlying the calculations are as follows:

(i) Terminal value growth rate of 2.24% (2017: 2.10%) per annum; and
(ii) Discount rate of 11.00% (2017: 9.00%).

Based on the sensitivity analysis performed, the Directors have concluded that no reasonable change in the base assumptions would cause the carrying amount of the investment in associated companies to exceed its recoverable amount.

During the financial year, there are indications, due to favourable market conditions, that the impairment loss recognised in prior years may no longer exist. The Group has recognised a reversal of impairment loss on the total cost of investment in Unigel (UK) Limited of RM3,302,006.

16. INVENTORIES

	The Group	
	2018	**2017**
	RM	**RM**
Raw materials	**9,121,694**	4,797,459
Work-in-progress	**1,009,651**	584,811
Finished goods	**3,238,966**	4,600,664
	13,370,311	9,982,934

Recognised in profit or loss:

	The Group	
	2018	**2017**
	RM	**RM**
Cost of inventories recognised as expenses in cost of sales	**65,917,688**	42,298,653
Allowance for inventory obsolescence no longer required (Note 8)	**(263,570)**	(159,873)
Inventories written down to net realisable value (Note 8)	**195,281**	89,062

17. TRADE RECEIVABLES

	The Group	
	2018	**2017**
	RM	**RM**
Neither past due nor impaired	**19,867,442**	10,426,301
Past due but not impaired	**1,206,974**	205,692
	21,074,416	10,631,993

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 (2017: 30 to 120 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 is subject to significant concentration of credit risk as 79% (2017: 78%) of its trade receivable from one (1) [2017: one (1)] customer.

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

	The Group	
	2018	**2017**
	RM	**RM**
30 days to 60 days	**418,265**	49,504
61 days to 90 days	**59,888**	90,183
91 days to 120 days	**728,821**	66,005
	1,206,974	205,692

The currency profile of trade receivables is as follows:

	The Group	
	2018	**2017**
	RM	**RM**
United States Dollar	**108,453**	184,023
Ringgit Malaysia	**20,965,963**	10,447,970
	21,074,416	10,631,993

18. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other receivables	**882,638**	905,171	**12,646**	22,121
Deposits	**185,492**	162,830	**129,359**	112,559
Prepaid expenses	**903,566**	2,827,596	**42,198**	64,270
	1,971,696	3,895,597	**184,203**	198,950

19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash and bank balances	**10,553,126**	18,610,475	**571,174**	4,357,855
Deposits with licensed banks	**11,524,232**	18,000,000	**3,524,232**	3,000,000
	22,077,358	36,610,475	**4,095,406**	7,357,855

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 2.95% to 3.50% (2017: 3.05% to 3.50%) per annum.

The average maturities of deposits with licensed banks of the Group and of the Company at the end of the reporting period is 1 month (2017: 1 month).

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

	The Group	
	2018	2017
	RM	RM
Ringgit Malaysia	**17,250,758**	32,860,492
United States Dollar	**3,788,683**	3,572,608
Euro	**806,786**	62,817
Sterling Pound	**228,855**	112,380
Singapore Dollar	**1,947**	–
Japanese Yen	**185**	2,013
Swiss Franc	**144**	165
	22,077,358	36,610,475

20. SHARE CAPITAL

	The Group and the Company			
	2018	2017	2018	2017
	No. of Shares		RM	RM
Issued and fully paid:				
Ordinary shares	**161,249,937**	161,249,937	**32,249,987**	32,249,987

21. DIVIDENDS

	The Group and the Company	
	2018	2017
	RM	RM
In respect of financial year ended 31 March 2018:		
Interim dividend of 2.00 sen per ordinary share under single-tier tax system	**3,224,999**	–
In respect of financial year ended 31 March 2017:		
Interim dividend of 2.00 sen per ordinary share under single-tier tax system	**–**	3,224,999
	3,224,999	3,224,999

22. RESERVES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Non-distributable:				
Translation reserve	**351,754**	4,275,576	**–**	–
Capital reserve	**3,283**	3,283	**–**	–
Distributable:				
Retained earnings	**55,583,824**	52,124,016	**13,909,506**	13,170,121
	55,938,861	56,402,875	**13,909,506**	13,170,121

Translation reserve

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

Retained earnings

Retained earnings at the end of the reporting period are distributable as dividends under the single-tier income tax system.

23. DEFERRED TAX ASSETS/(LIABILITIES)

The Group

	Opening balance RM	Recognised in profit or loss (Note 10) RM	Translation differences RM	Closing balance RM
2018				
Deferred tax assets				
Provision for liquidated damages	32,281	(137)	–	32,144
Inventories	297,941	(118,869)	–	179,072
Unabsorbed tax losses	1,217,983	–	–	1,217,983
Unabsorbed capital allowances	405,042	–	–	405,042
Unutilised reinvestment allowances	571,741	(123,341)	–	448,400
Others	30,623	(6,100)	–	24,523
	2,555,611	(248,447)	–	2,307,164
Deferred tax liabilities				
Property, plant and equipment	(4,200,767)	964,466	40,442	(3,195,859)
Others	(37,935)	10,678	1,999	(25,258)
	(4,238,702)	975,144	42,441	(3,221,117)
	(1,683,091)	726,697	42,441	(913,953)
2017				
Deferred tax assets				
Provision for liquidated damages	22,936	9,345	–	32,281
Inventories	34,629	263,312	–	297,941
Unabsorbed tax losses	1,217,983	–	–	1,217,983
Unabsorbed capital allowances	1,165,169	(760,127)	–	405,042
Unutilised reinvestment allowances	604,660	(32,919)	–	571,741
Others	6,408	24,215	–	30,623
	3,051,785	(496,174)	–	2,555,611
Deferred tax liabilities				
Property, plant and equipment	(4,174,417)	(13,919)	(12,431)	(4,200,767)
Others	(391,434)	370,974	(17,475)	(37,935)
	(4,565,851)	357,055	(29,906)	(4,238,702)
	(1,514,066)	(139,119)	(29,906)	(1,683,091)

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

The Company

	Opening balance RM	Recognised in profit or loss (Note 10) RM	Closing balance RM
2018			
Deferred tax liabilities			
Property, plant and equipment	**(1,674,058)**	**900,064**	**(773,994)**
2017			
Deferred tax liabilities			
Property, plant and equipment	(1,511,766)	(162,292)	(1,674,058)

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

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets	**29,622**	30,623	**–**	–
Deferred tax liabilities	**(943,575)**	(1,713,714)	**(773,994)**	(1,674,058)
	(913,953)	(1,683,091)	**(773,994)**	(1,674,058)

As of 31 March 2018, the details of the unused tax losses, unutilised reinvestment allowances and unabsorbed capital allowances which are not recognised in the financial statements due to uncertainty of their realisation is as follows:

	The Group	
	2018 RM	2017 RM
Unutilised reinvestment allowances	**3,056,300**	2,359,448
Unabsorbed tax losses	**7,321,752**	6,910,895
Unabsorbed capital allowances	**8,298,675**	5,349,942
	18,676,727	14,620,285

The unused tax losses, unutilised reinvestment allowances and unabsorbed capital allowances which are subject to agreement by the tax authorities are available for offset against future chargeable income of the Group and do not expire under the current tax legislation.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2017: 30 to 90 days).

The currency profile of trade payables is as follows:

	The Group	
	2018	2017
	RM	RM
United States Dollar	**9,096,853**	6,937,869
Ringgit Malaysia	**5,058,978**	2,679,251
	14,155,831	9,617,120

25. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	**2,066,621**	2,159,995	**24,364**	70,150
Accrued expenses	**1,204,544**	1,678,006	**302,595**	432,414
	3,271,165	3,838,001	**326,959**	502,564

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Ringgit Malaysia	**3,229,988**	3,754,489	**326,959**	502,564
United States Dollar	**33,778**	81,213	**–**	–
Singapore Dollar	**–**	2,299	**–**	–
Sterling Pound	**7,399**	–	**–**	–
	3,271,165	3,838,001	**326,959**	502,564

26. BANK BORROWINGS (UNSECURED)

	The Group	
	2018	2017
	RM	RM
Current - at amortised cost		
Unsecured:		
Foreign currency trade facilities	**3,678,154**	3,898,194

As of the end of the reporting period, the Group has obtained total banking facilities amounting to RM32,950,000 (2017: RM32,950,000) from local banks. These facilities are covered by corporate guarantee from the Company and the average effective interest rate for foreign currency trade loan is 3.70% (2017: 3.38%) per annum.

27. PROVISION FOR LIQUIDATED DAMAGES

	The Group	
	2018	2017
	RM	RM
At beginning of year	**134,504**	95,568
Provision during the year (Note 8)	**266,919**	949,604
Reversal during the year (Note 8)	**(244,699)**	(848,934)
Utilised during the year	**(22,788)**	(61,734)
At end of year	**133,936**	134,504

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. HIRE-PURCHASE PAYABLES

	The Group	
	2018	2017
	RM	RM
Total outstanding	**66,485**	129,859
Interest-in-suspense outstanding	**(5,674)**	(10,231)
Principal outstanding	**60,811**	119,628
Less:		
Current portion:		
Amount due within 12 months	**(42,798)**	(48,992)
Non-current portion	**18,013**	70,636

The non-current portion is payables as follows:

	The Group	
	2018	2017
	RM	RM
Between 1 - 2 years	**18,013**	70,636

For the financial year ended 31 March 2018, the hire-purchase payables bear a weighted average effective interest rate of 2.49% (2017: 2.49%) per annum.

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

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

	The Group	
	2018	2017
	RM	RM
Dividend payable	**8,048,134**	8,897,534
Trade in nature	**14,040**	15,923
	8,062,174	8,913,457

Amount owing by associated companies, which is denominated in United States Dollar, arose mainly from trade transactions, is unsecured, bears interest at 4.50% (2017: 4.50%) per annum and repayable on demand.

In 2017, amount owing to associated company, which was denominated in United States Dollar, arose mainly from trade transactions and payments on behalf, was unsecured, interest fee and repayable on demand.

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

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

Related Parties	Nature of Relationship
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 subsidiary companies
Airzed Broadband Sdn. Bhd. ("Airzed Broadband")	Airzed Broadband has a common director with the Company
Perennial Renaissance Sdn. Bhd. ("PRSB")	PRSB has a common director with the Company

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

During the financial year, the Group and the Company have the following related party transactions:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Associated companies:				
Trade sales	**30,696,444**	15,438,326	**-**	–
Interest income (Note 8)	**188,838**	189,565	**-**	–
Purchase of cable production materials	**(12,131,760)**	–	**-**	–
Related parties:				
Rental income (Note 5)	**22,500**	21,750	**22,500**	21,750
Purchase of accessories	**(260,816)**	(8,008,333)	**-**	–
Purchase of property, plant and equipment	**-**	(2,574,613)	**-**	–
Business development commission payable	**(1,573,477)**	(1,418,886)	**-**	–
Rental payables (Note 8):				
Motor vehicles	**(27,000)**	(54,000)	**-**	–
Office	**(67,200)**	(51,600)	**(67,200)**	(51,600)
Plant and machinery	**(677,936)**	–	**-**	–
Corporate services expenses payable	**-**	(30,000)	**-**	(30,000)
Accounting expenses payable	**-**	(10,800)	**-**	(7,800)
Subsidiary companies:				
Rental income (Note 5)	**-**	–	**3,893,460**	4,127,460
Management fee (Note 5)	**-**	–	**3,492,000**	3,492,000
Dividend income (Note 5)	**-**	–	**810,000**	1,000,000
Administrative expenses payable	**-**	–	**(2,880,000)**	(2,880,000)

30. 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	Manufacturing of fiber optic cables, systems, accessories and thixotropic gel.
Trading and engineering services	Trading of cable filling, flooding compounds and industrial products and provision of engineering services.
Other operations	Management services and investment holding activities.

30. OPERATING SEGMENTS (CONT'D)

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

2018	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
Segment revenue:				
Revenue from external customers	84,574,842	19,227,630	69,372	103,871,844
Segment profit:				
Operating profit/(loss) for reportable segments	6,903,881	1,418,042	(3,929,483)	4,392,440
Interest income				883,677
Finance costs				(135,710)
Share of results of associated companies				1,037,090
Profit before tax				6,177,497
Segment assets				
Total segment assets				128,278,117
Unallocated				1,053,983
Consolidated total assets				129,332,100
Segment liabilities				
Total segment liabilities				29,661,180
Unallocated				961,369
Consolidated total liabilities				30,622,549
Other segment information				
Reversal of impairment loss on investment in associated companies	–	(3,302,006)	–	(3,302,006)
Depreciation of property, plant and equipment	2,755,812	141,813	278,309	3,175,934
Provision for liquidated damages - net	2,739	19,481	–	22,220
Inventories written down to net realisable value	110,204	–	–	110,204
Property, plant and equipment written off	10,734	–	–	10,734
Allowance for inventory obsolescence no longer required	(365,221)	–	–	(365,221)
Capital expenditure:				
Property, plant and equipment	1,940,477	18,029	156,301	2,114,807

30. OPERATING SEGMENTS (CONT'D)

2017	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
Segment revenue:				
Revenue from external customers	69,009,524	24,339,756	68,622	93,417,902
Segment profit:				
Operating profit/(loss) for reportable segments	9,153,949	114,764	(3,592,060)	5,676,653
Interest income				1,025,232
Finance costs				(129,033)
Share of results of associated companies				1,537,365
Profit before tax				8,110,217
Segment assets				
Total segment assets				130,928,303
Unallocated				949,415
Consolidated total assets				131,877,718
Segment liabilities				
Total segment liabilities				29,729,823
Unallocated				1,824,908
Consolidated total liabilities				31,554,731
Other segment information				
Depreciation of property, plant and equipment	2,652,413	64,880	266,374	2,983,667
Provision for liquidated damages - net	100,670	–	–	100,670
Inventories written down to net realisable value	89,062	–	–	89,062
Property, plant and equipment written off	35,567	–	–	35,567
Allowance for inventory obsolescence no longer required	(159,873)	–	–	(159,873)
Capital expenditure:				
Property, plant and equipment	5,106,731	423,785	1,184,595	6,715,111

31. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group and the Company manages their capital to ensure that the entities in the Group and the Company 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 and the Company's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of debt comprising bank borrowings - unsecured, and equity of the Group comprising share capital, reserves and non-controlling interests.

The Group and the Company are not subject to any externally imposed capital requirements.

31. FINANCIAL INSTRUMENTS (CONT'D)

Capital Risk Management (Cont'd)

Gearing Ratio

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

	The Group	
	2018	**2017**
	RM	**RM**
Debts:		
Bank borrowings	**3,678,154**	3,898,194
Hire-purchase payables	**60,811**	119,628
	3,738,965	4,017,822
Equity	**98,709,551**	100,322,987
Debt to equity ratio	**3.8%**	4.0%

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	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Loans and receivables, at amortised cost:				
Trade receivables	**21,074,416**	10,631,993	**–**	–
Other receivables and deposits	**1,068,130**	1,068,001	**142,005**	134,680
Amount owing by subsidiary companies	**–**	–	**112,686**	5,715,751
Amount owing by associated companies	**11,916,300**	10,939,801	**–**	–
Amount owing by related party	**18,705**	20,305	**18,705**	20,305
Cash and cash equivalents	**22,077,358**	36,610,475	**4,095,406**	7,357,855
Financial Liabilities				
Other financial liabilities, at amortised cost:				
Trade payables	**14,155,831**	9,617,120	**–**	–
Other payables and accrued expenses	**3,271,165**	3,838,001	**326,959**	502,564
Amount owing to subsidiary companies	**–**	–	**982,449**	4,156,693
Amount owing to corporate shareholder of a subsidiary company	**8,062,174**	8,913,457	**–**	–
Amount owing to related parties	**299,109**	2,646,714	**3,575**	1,575
Amount owing to associated company	**–**	562,205	**–**	–
Bank borrowings	**3,678,154**	3,898,194	**–**	–
Hire-purchase payables	**60,811**	119,628	**–**	–

31. FINANCIAL INSTRUMENTS (CONT'D)

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, foreign currency 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 companies.

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

The Group is subject to significant concentration of credit risk as 79% (2017: 78%) of its trade receivable from one (1) [2017: one (1)] customer. 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, amount owing by related party, amount owing by associated companies and amount owing by subsidiary companies, should all its customers fail to perform their obligations as of 31 March 2018, is the carrying amount of these receivables as disclosed in the statements of financial position.

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 is exposed to interest rate risk through the impact of rate changes on interest-bearing bank borrowings as disclosed in Note 26.

An average interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates. The Group's sensitivity to interest rates is not material due to the increase in interest rate of the bank borrowings has no significant impact on the financial statements of the Group.

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.

31. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of reporting period based on contractual undiscounted repayment obligations.

	Weighted average effective rate % per annum	Within 1 year RM	1 - 5 years RM	Total RM
The Group				
2018				
Non-interest bearing:				
Trade payables	–	14,155,831	–	14,155,831
Other payables and accrued expenses	–	3,271,165	–	3,271,165
Amount owing to corporate shareholder of a subsidiary company	–	8,062,174	–	8,062,174
Amount owing to related parties	–	299,109	–	299,109
Interest bearing:				
Hire-purchase payables	2.49	47,355	19,130	66,485
Bank borrowings	4.65	3,849,188	–	3,849,188
		29,684,822	19,130	29,703,952
The Company				
2018				
Non-interest bearing:				
Other payables and accrued expenses	–	326,959	–	326,959
Amount owing to subsidiary companies	–	982,449	–	982,449
Amount owing to related parties	–	3,575	–	3,575
		1,312,983	–	1,312,983

31. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (Cont'd)

	Weighted average effective rate % per annum	Within 1 year RM	1 - 5 years RM	Total RM
The Group				
2017				
Non-interest bearing:				
Trade payables	–	9,617,120	–	9,617,120
Other payables and accrued expenses	–	3,838,001	–	3,838,001
Amount owing to corporate shareholder of a subsidiary company	–	8,913,457	–	8,913,457
Amount owing to related parties	–	2,646,714	–	2,646,714
Amount owing to associated company	–	562,205	–	562,205
Interest bearing:				
Hire-purchase payables	2.49	53,736	76,123	129,859
Bank borrowings	3.38	4,029,953	–	4,029,953
		29,661,186	76,123	29,737,309

	Weighted average effective rate % per annum	Within 1 year RM	1 - 5 years RM	Total RM
The Company				
2017				
Non-interest bearing:				
Other payables and accrued expenses	–	502,564	–	502,564
Amount owing to subsidiary companies	–	4,156,693	–	4,156,693
Amount owing to related parties	–	1,575	–	1,575
		4,660,832	–	4,660,832

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.

31. FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk management (Cont'd)

Foreign currency sensitivity analysis

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

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 end of the reporting period 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	
	2018 **RM**	**2017** **RM**
USD/RM - Strengthened 5%	**334,140**	355,757
- Weakened 5%	**(334,140)**	(355,757)

Cash flow risk management

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

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, except for the following financial liability:

	The Group		The Company	
	2018 **RM**	**2017** **RM**	**2018** **RM**	**2017** **RM**
Carrying amount				
Hire-purchase payables	**60,811**	119,628	**–**	–
Fair value				
Hire-purchase payables	**66,485**	129,859	**–**	–

The fair values of the above financial liability are estimated by Level 3 input which is in accordance with generally accepted pricing models based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk counterparties.

32. CAPITAL COMMITMENT

	The Group	
	2018	2017
	RM	RM
Approved and contracted for:		
Purchase of property, plant and equipment	**712,000**	–

33. CORPORATE GUARANTEES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	**-**	–	**39,500,000**	39,500,000
Guarantee of obligations given to supplier for credit term granted to a subsidiary company	**1,159,000**	–	**1,159,000**	–
	1,159,000	–	**40,659,000**	39,500,000

The Company is contingently liable to the extent of credit facilities utilised by the said subsidiary company. The fair values of the corporate guarantees have not been recognised in the financial statements since their fair values on initial recognition are negligible.

34. COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Group in prior year have been reclassified to conform with the presentation in the current financial year. These relate to the following:

	As previously reported RM	Reclassification RM	As reclassified RM
The Group			
At 31 March 2017			
Statements of financial position			
Trade payables	8,387,129	1,229,991	9,617,120
Other payables and accrued expenses	5,067,992	(1,229,991)	3,838,001
At 31 March 2017			
Statements of cash flows			
Trade payables	3,037,583	1,229,991	4,267,574
Other payables and accrued expenses	55,534	(1,229,991)	(1,174,457)

STATEMENT BY DIRECTORS

The Directors of **OPCOM HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2018 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

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

TAN SRI MOKHZANI MAHATHIR

CHHOA KWANG HUA

Petaling Jaya,
25 June 2018

DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHHOA KWANG HUA**, the director primarily responsible for the financial management of **OPCOM HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements 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.

CHHOA KWANG HUA

Subscribed and solemnly declared by the
above named **CHHOA KWANG HUA** at
PETALING JAYA this 25 day of June 2018.

Before me,

NAJMI DAWAMI BIN ABDUL HAMID @ MOHD AKIB
No: B444
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	Net Book Value (RM'000)
No. 98721, Lot 331, Seksyen 15 Industrial Site Shah Alam, Shah Alam City, District of Petaling and State of Selangor being land, factories and office buildings bearing the address of No. 11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan.	– Manufacturing blocks – Office building – Warehouses – Open storage yards – Car parks – Guard house	99 year leasehold expiring on 18.04.2074	Land: 10.07.2012 Buildings: 16.05.2014	Land area: 29,450 sq. m. Built-up area: 10,902 sq. m.	Age of manufacturing blocks: approximately 20 years and less Age of other buildings/ structures: Not more than 30 years	23,525

ANALYSIS OF SHAREHOLDINGS

AT AS 29 JUNE 2018

Class of shares : Ordinary shares
Voting rights : One vote per ordinary share on a poll

Distribution of Shareholdings

Holdings	No. of Holders	% of Holders	Total Holdings	% of Issued Share Capital
Less than 100	321	5.60	10,199	0.01
100 - 1,000	707	12.33	444,351	0.28
1,001 - 10,000	3,067	53.50	17,259,264	10.70
10,001 - 100,000	1,485	25.90	47,353,648	29.37
100,001 to less than 5% of issued shares	150	2.62	40,641,175	25.20
5% and above of issued shares	3	0.05	55,541,300	34.44
	5,733	**100.00**	**161,249,937**	**100.00**

Thirty Largest Shareholders

Rank	Name	No. of Shares Held	% of Issued Share Capital
1.	KAF Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Seri Mukhriz Mahathir	19,750,000	12.25
2.	SJ Sec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Al Rajhi Bank for M Ocean Capital Sdn Bhd	18,000,000	11.16
3.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Seri Mukhriz Mahathir (PJCAC)	17,791,300	11.03
4.	M Ocean Capital Sdn Bhd	4,760,000	2.95
5.	Rezeki Tegas Sdn Bhd	1,560,000	0.97
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Muhd Adam Low Bin Abdullah (Margin)	1,200,000	0.74
7.	Md. Shah Bin Abu Hasan	849,000	0.53
8.	Md. Shah Bin Abu Hasan	830,400	0.52
9.	Kenanga Nominees (Asing) Sdn Bhd - Exempt An for Phillip Securities Pte Ltd (Client Account)	716,900	0.45
10.	Choo Shiow Charn	680,000	0.42
11.	Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	635,625	0.39
12.	Abdul Jabbar Bin Abdul Majid	625,000	0.39
13.	Ng Kok Yu	600,000	0.37
14.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Jega Devan A/L M Nadchatiram	581,000	0.36
15.	Ng Kong Wan	550,000	0.34
16.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tang Kie Ung (E-BTL)	550,000	0.34
17.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Hing Kok (E-TAI-STW)	549,300	0.34
18.	Hamzah Bin Bachee	500,000	0.31
19.	Khaw Cheow Poh	480,000	0.30

ANALYSIS OF SHAREHOLDINGS

AT AS 29 JUNE 2018

Rank	Name	No. of Shares Held	% of Issued Share Capital
20.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Chia Ai Seng (M28033)	450,000	0.28
21.	Tan Chee Siang	450,000	0.28
22.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Cheng Hoe	400,000	0.25
23.	Affin Hwang Investment Bank Berhad - IVT (SKM)	398,200	0.25
24.	CIMSEC Nominees (Tempatan) Sdn Bhd - Exempt An for CIMB Commerce Trustee Berhad (PB-PTS0017209)	375,000	0.23
25.	Lim Chong Seong	374,500	0.23
26.	Md. Shah Bin Abu Hasan	371,800	0.23
27.	Lau Kim Hee	360,000	0.22
28.	Chua Gaik Suwan	347,500	0.22
29.	Md. Shah Bin Abu Hasan	325,000	0.20
30.	Thian Boon Keong	310,000	0.19
	Total	**75,370,525**	**46.74**

Substantial Shareholders (as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Seri Mukhriz Mahathir	37,541,300	23.28	–	–
M Ocean Capital Sdn Bhd	22,760,000	14.11	–	–
Tok Puan Norzieta Zakaria	–	–	22,760,000	14.11

* Deemed interest by virtue of Section 8 of the Companies Act 2016

Directors' Shareholding (as per register of directors' shareholdings)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Mokhzani Mahathir	–	–	–	–
Chhoa Kwang Hua	–	–	–	–
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B)	635,625	0.39	–	–
Abdul Jabbar Bin Abdul Majid	625,000	0.39	–	–
Sven Janne Sjöden	120,000	0.07	–	–
Chan Bee Lean	–	–	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of the Company will be held at Danau 3, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Wednesday, 12 September 2018 at 10.00 a.m. to transact the following businesses:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2018 and the Reports of Directors and Auditors thereon.	**Please refer to Explanatory Note A**
2.	To approve the payment of Directors' fees of RM144,000 for the financial year ended 31 March 2018.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM152,000 from 13 September 2018 until the next annual general meeting of the Company.	**Ordinary Resolution 2**
4.	To re-elect the following Directors retiring pursuant to Article 127 of the Company's Constitution:-	
	(i) Tan Sri Mokhzani Mahathir	**Ordinary Resolution 3**
	(ii) Mr. Chhoa Kwang Hua, Eric	**Ordinary Resolution 4**
5.	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.	**Ordinary Resolution 5**
6.	**PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**	
	As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-	
	"**THAT** Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."	**Ordinary Resolution 6**
	"**THAT** Encik Abdul Jabbar Bin Abdul Majid who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company."	**Ordinary Resolution 7**
7.	**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 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 Opcom Sdn Bhd Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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 ERICSSON (MALAYSIA) SDN BHD 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 Ericsson (Malaysia) Sdn Bhd Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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 UNIGEL (UK) LIMITED GROUP AND ITS ASSOCIATED COMPANIES** **Ordinary Resolution 10**

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

"**THAT** pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Unigel (UK) Limited Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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 UNIGEL IP LIMITED GROUP AND ITS ASSOCIATED COMPANIES** **Ordinary Resolution 11**

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 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AIRZED BROADBAND SDN BHD** **Ordinary Resolution 12**

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 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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."

12. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH HIKARI COMPOSITES SDN BHD** **Ordinary Resolution 13**

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 Hikari Composites Sdn Bhd as detailed in Section 2.3 of the Circular to Shareholders dated 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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."

13. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH UNITAPE LIMITED GROUP AND ITS ASSOCIATED COMPANIES** **Ordinary Resolution 14**

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 Unitape Limited Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 31 July 2018 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 340(2) of the Companies Act 2016 ("Act") (but will not extend to such extension as may be allowed pursuant to Section 340(4) 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 31 July 2018 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."

14. **AUTHORITY TO ALLOT SHARES** **Ordinary Resolution 15**

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 2016 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot 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."

15. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **Special Resolution 1**

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

"**THAT** the new set of the Constitution of the Company in the form and manner as set out in **Appendix A** attached herewith be and is hereby approved and adopted as the new Constitution of the Company, in substitution for, and to the exclusion of, the existing Constitution of the Company AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to the adoption of the new Constitution of the Company."

16. 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
Dated: 31 July 2018

Notes:-

1. *Only depositors whose names appear in the Record of Depositors as at 5 September 2018 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. 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:*

   Note A *- The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340(1) of the Companies Act 2016, hence, the matter will not be put for voting.*

   Ordinary Resolutions 1 and 2
   Proposed Payment of Directors' Fees
   Proposed Payment of Directors' Benefits to Non-Executive Directors

   Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Twenty-Third Annual General Meeting ("AGM") on the Directors' fees and benefits in two (2) separate resolutions as below:-

   - *Ordinary Resolution 1 on payment of Directors' fees in respect of the financial year ended 31 March 2018; and*
   - *Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 13 September 2018 until the next AGM.*

   The Directors' benefits of the Company which is estimated not to exceed RM152,000 is basically the meeting allowances for Board/Board Committee meetings attended/to be attend for period from 13 September 2018 until the conclusion of the next AGM.

   The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

   Details of the Directors' fees and benefits paid to the Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2018.

Ordinary Resolutions 6 and 7
Proposed Retention of Independent Non-Executive Directors

The Proposed Ordinary Resolutions 6 and 7, if passed, will enable Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Encik Abdul Jabbar Bin Abdul Majid to continue serving as the Independent Non-Executive Directors of the Company as recommended under Malaysian Code on Corporate Governance ("MCCG").

Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Encik Abdul Jabbar Bin Abdul Majid were appointed on 12 September 2003 and 11 November 2003 respectively.

An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2018. The Board of Directors has considered the results of the independence assessment of Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Encik Abdul Jabbar Bin Abdul Majid which was undertaken pursuant to the guidelines as set out in the ACE Market Listing Requirements of Bursa Securities and MCCG, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) and Encik Abdul Jabbar Bin Abdul Majid should be retained as the Independent Non-Executive Directors of the Company.

Ordinary Resolutions 8-14
Proposed Shareholders' Mandate for Recurrent Transactions

The proposed Ordinary Resolutions 8-14, 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 15
Authority to Allot Shares

At last year's Annual General Meeting, mandate was given to Directors to allot not 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 15, if passed, will empower the Directors of the Company to 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, repayment of bank borrowing(s), if any, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

Special Resolution 1
Proposed Amendments to the Constitution of the Company

The proposed Special Resolution 1, if passed, will give full effect to the proposed amendments to the Constitution of the Company by substituting the existing Constitution with the new set of Constitution as set out in Appendix A.

The rationale of the proposed amendments to the existing Constitution is to ensure continued compliance and to bring the Constitution of the Company in line with the following laws and regulations:-

(i) Amended Bursa Malaysia Securities Berhad ACE Market Listing Requirements which was issued on 29 November 2017; and

(ii) Companies Act 2016 which came into effect on 31 January 2017.

PERSONAL DATA PROTECTION ACT 2010

Dear Valued Shareholders,

Re: Notice to Shareholders Pursuant to the Personal Data Protection Act 2010

This Notice is given in connection with you being a shareholder of Opcom Holdings Berhad (322661-W) ("Company"). The Personal Data Protection Act 2010 (hereinafter referred to as "PDPA"), which regulates the processing of personal data in commercial transactions, applies to the Company. For the purposes of this Notice, the terms "personal data" and "processing" shall have the same meaning as prescribed in the PDPA.

1. This written notice ("Notice") serves to inform you that your personal data is being processed by or on behalf of the Company.
2. The personal data processed by us may include name, national identity card number, contact number and address and other particulars provided by you or on your behalf in connection with your shareholding in the Company.
3. We are processing your personal data, including any additional information you may subsequently provide, for the following purposes ("Purposes"):
   a) Sending you notices and circulars relating to your status as a shareholder in the Company;
   b) Paying you dividends and giving you other benefits relating to your shareholding in the Company;
   c) Dealing with all matters in connection with your shareholding in the Company; or such other purposes as may be related to the foregoing.
4. The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.
5. Please refer to your stockbroker/investment bank where your CDS account is opened for any updates/changes of your personal information.
6. Your personal data may be disclosed by us in connection with the above Purposes, to all governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligation which is imposed on us and to our lawyers, auditors and/or service providers.
7. You are responsible for ensuring that the personal data you provide us is accurate, complete and not misleading and that such personal data is kept up to date.
8. If you fail to supply to us the abovementioned personal data, we may not be able to process your personal data for any of the Purposes.

Proxy Form

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

Number of shares held	
CDS Account No.	

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 in block capitals & NRIC No.)

of ____
(Full address)

or failing him/her, ____
(Full name in block capitals & NRIC No.)

of ____
(Full address)

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company which will be held at Danau 3, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Wednesday, 12 September 2018 at 10.00 a.m. and at any adjournment thereof.

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

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Ordinary Resolution 13		
Ordinary Resolution 14		
Ordinary Resolution 15		
Special Resolution 1		

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

____
Signature/Common Seal of Shareholder(s)

Dated: ______________________________

____
Tel. No.

Notes:-

1. *Only depositors whose names appear in the Record of Depositors as at 5 September 2018 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. 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.*

1st fold here

AFFIX
STAMP

The Company Secretary

Opcom Holdings Berhad
(Company No. 322661-W)

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

2nd fold here

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