



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



A NEW PHASE OF GROWTH

Annual Report 2016



21st

Annual General Meeting
of Opcom Holdings Berhad at Banyan
and Casuarina Room, Ground Floor,
Sime Darby Convention Centre,
1A Jalan Bukit Kiara 1, 60000
Kuala Lumpur on Thursday,
8 September 2016 at 9.30 a.m.

INSIDE

this report

Vision, Mission & Values _____	02	Corporate Governance Statement _____	26
Corporate Information _____	04	Audit Committee Report _____	38
Corporate Structure _____	05	Statement on Risk Management & Internal Control _____	42
Group Financial Highlights _____	06	Financial Statements _____	45
Financial Calendar _____	08	List of Property _____	107
Chairman's Statement _____	10	Analysis of Shareholdings _____	108
Board of Directors _____	18	Notice of Annual General Meeting _____	111
Board of Directors' Profile _____	20	Personal Data Protection Act _____	122
Profile of Senior Management _____	22	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.

Value

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

Attitude

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

Challenge

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

Through the combination of foreign and local expertise, our 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.

Commitment

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

Community

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

corporate INFORMATION

BOARD OF DIRECTORS

Tan Sri Mokhzani Mahathir
Chairman
Executive Director

Chhoa Kwang Hua, Eric
Executive Director

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

Abdul Jabbar Bin Abdul Majid
Independent Non-Executive Director

Sven Janne Sjöden
Independent Non-Executive Director

Chan Bee Lean
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

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

Members

Sven Janne Sjöden
Chan Bee Lean

NOMINATING & REMUNERATION COMMITTEE

Chairman

Abdul Jabbar Bin Abdul Majid

Members

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

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 : 03-7841 8000
Fax : 03-7841 8151

AUDITORS

Deloitte (AF 0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

Tel : 03-7610 8888
Fax : 03-7726 8986

PRINCIPAL BANKER

RHB Bank Berhad (6171-M)
Level 7, Tower Three Level 6 Menara AA
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

Tel : 03-9206 8118
Fax : 03-9206 8088

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad

WEBSITE

www.opcom.com.my

corporate STRUCTURE

100%

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

Provision of human resource management services



70%

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

Manufacturing of fiber optic cables, systems and accessories



OPCOM HOLDINGS BERHAD

(Company No. 322661-W)

Incorporated on 7 November 1994

Investment holdings and other related activities

100%

UNIGEL COMPOUNDS SDN. BHD.
(formerly known as Opcom Niaga Sdn. Bhd.)
(Company No. 442938-M)

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



100%

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

General trading of fiber and other cable production materials

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)

Management of intellectual property rights and R&D activities

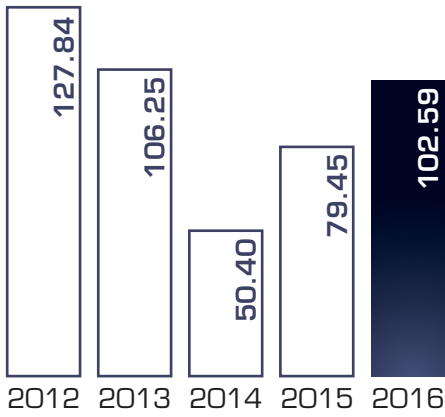
GROUP

financial highlights

	2012	2013	2014	2015	2016
Operating Results (RM Million)					
Revenue	127.84	106.25	50.40	79.45	102.59
Profit before taxation	35.67	22.10	3.37	4.82	8.30
Net profit attributable to owners of the Company	19.91	12.96	2.79	4.44	7.42
Key Financial Position Data (RM Million)					
Property, plant and equipment	38.52	37.18	38.33	35.86	38.35
Total assets	152.97	140.44	122.60	135.04	121.32
Share capital	25.80	25.80	25.80	32.25	32.25
Shareholders' funds	80.69	77.52	72.57	77.23	81.87
Share Information					
Per share (sen):					
Basic earnings	15.43	10.04	2.16	2.75	4.60
Net dividend	24.50	12.50	6.00	1.25	1.50
Net assets	62.55	60.09	56.26	47.90	50.77
Financial Ratios (%)					
Return on total assets	17.27	11.97	2.16	2.96	4.50
Return on shareholders' equity	24.68	16.71	3.85	5.75	9.07

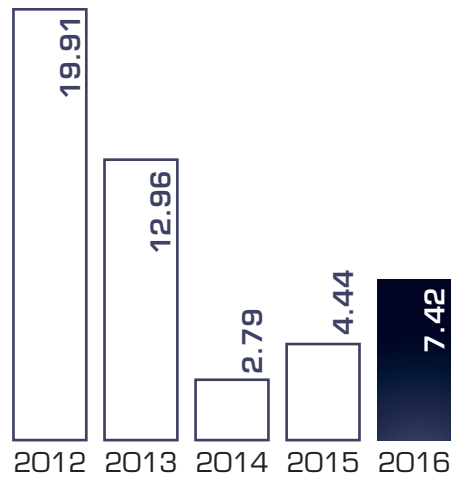
Revenue

RM million



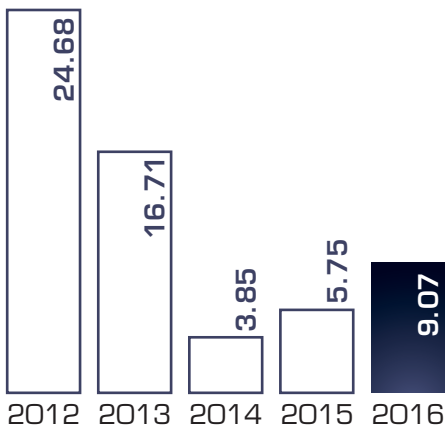
Net Profit Attributable to Owners of the Company

RM million



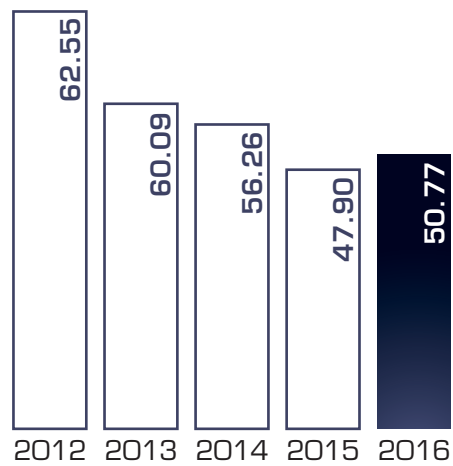
Return on Shareholders' Equity

%



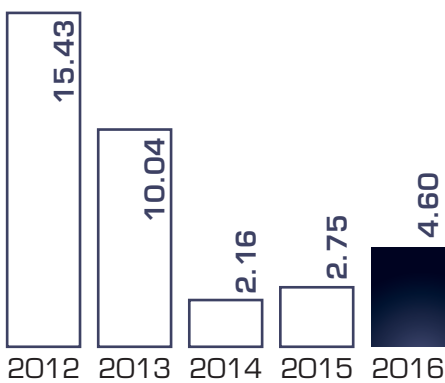
Net Assets Per Share

sen



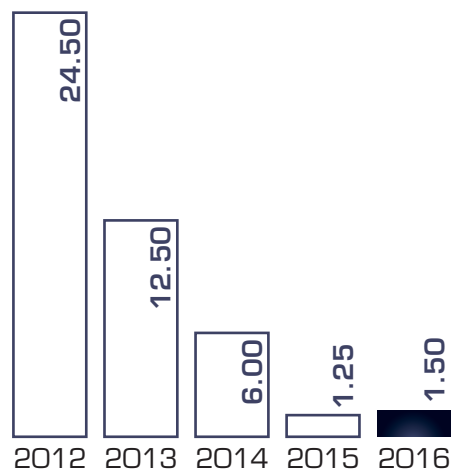
Basic Earnings Per Share

sen



Net Dividend Per Share

sen



FIN

12 Aug

Incorporation of a wholly-owned subsidiary – Opcom Trading Sdn. Bhd.

15 Sep

20th Annual General meeting held at Tropicana Golf & Country Resort, Petaling Jaya, Selangor Darul Ehsan

4 Nov

Change in Principal Officer – Resignation of Chief Financial Officer

2015

Aug

Sep

Oct

Nov

10 Sep

Interim dividend payment of 1.50 sen per ordinary share, under single tier system in respect of the financial year ended 31 March 2016

6 Oct

Letter of Award for the Contract for Network Delivery Projects Via Schedule of Rates for Telekom Malaysia Berhad

27 Nov

Announcement of the unaudited results for the 2nd quarter ended 30 September 2015

ANCIAL

calendar

19 Feb

Announcement of the unaudited results for the 3rd quarter ended 31 December 2015

2016

Feb

May

31 May

Announcement of the unaudited results for the financial year ended 31 March 2016



CH

Tan Sri Mokhzani Mahathir

Chairman and Chief Executive Officer

AIRMAN'S

Statement

Dear Shareholders,

On behalf of the Board of Directors ("Board"), 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 2016 ("FY2016").

This financial year has been a very challenging one for the Group, with lower industry selling price levels, a stronger US dollar and a much more competitive market environment for fiber optic cables. Selling margins continue to be under pressure due to competition from imports.

During FY2016, the management of the Company undertook various cost improvement initiatives, widened our supply chain base and streamlined our operations for improved efficiency. We continue to build on our supply relationship with our core customers and at the same time increased our business volumes with certain key customers.

Our Group revenue was RM102.6 million, an increase of approximately 29.0 percent from the preceding year, while our profit after tax increased to RM5.5 million from last year's profit of RM4.0 million, an increase of 36.5 percent. Earnings per share increased from 2.8 sen to 4.6 sen from the preceding year.

For FY2016, an interim dividend of 1.5 sen per ordinary share, under the single tier system, totaling RM2.4 million, was declared on 13 August 2015 and paid in full on 10 September 2015. Since Opcom's listing in year 2003, we have declared and paid out approximately RM93.2 million in dividends to our shareholders. Opcom continue to take a balanced approach on dividend payout, balancing between paying returns to shareholders and at the same time, fulfilling the Group working capital requirements and re-investment programs.

Revenue

RM102.6 MILLION



Chairman's *Statement*

During the financial year, Opcom embarked on two new business activities as we implemented our strategic goal of diversifying from our current fiber optic cable business. The Group launched its engineering services business for the provision of fiber optic cable installation works for fixed line broadband networks and Long Term Evolution ("LTE") networks for its customers. The Company has made substantial investment in people, equipment and know-how to support the long-term growth of this new business.

The Group, through its wholly owned subsidiary, Unigel Compounds Sdn. Bhd. has completed the construction and commission of its new manufacturing facility for the manufacture of thixotropic compounds. Thixotropic compounds are used in the manufacture of fiber optic cables as well as in the specialty construction and clean energy industry. All our gel compound products are destined for export and to date, we have exported to customers in South Asia, Middle East, North Africa, Russia and other countries in the Asia-Pacific region.

Your Company has made significant strides in building the foundation for diversification to support future long-term sustainable growth. From a single product company, we have made concrete achievements to bolt on new businesses, that is – services and exports as value drivers to complement our current core business.

Human capital is vital for the continued success of the Group. Our continued ability to create shareholders' value hinges on our ability to attract a diverse pool of talent, and to retain and reward a loyal and efficient workforce. The Company continues to invest in developing technical skills, and on succession planning, a key initiative to be implemented over the next 5 years.

Your Company has embarked on two key strategic initiatives in line with our corporate mission to diversify geographically into higher revenue growth and margin business.

ENGINEERING SERVICES

Services will become a key growth engine of the Group. In October 2015, a subsidiary of Opcom received a 3-year mandate from



Telekom Malaysia Berhad for the provision of engineering services amounting to approximately RM68.0 million. In addition, it is also prospecting and negotiating for other engineering services business from other telecommunications services companies. Opcom continues to invest in people, equipment and know-how with the aim to be a leading engineering services provider in the years to come.

THIXOTROPIC COMPOUNDS

Subsequent to the investment in Unigel (UK) Limited in November 2014, the Group – through its subsidiary – Unigel Compounds Sdn. Bhd. (UCSB) had constructed and commissioned a manufacturing facility in Shah Alam for the manufacture of thixotropic compounds. Thixotropic compounds are used in the cable





Our Company has made significant strides in building the foundation for diversification to support future long-term sustainable growth

manufacturing process, and our Malaysia plant complements the existing manufacturing presence in the US and UK, making Unigel the leading global supplier of thixotropic compounds with three manufacturing facilities to service our global and regional customers with reduced lead time and enhanced supply chain security. Since the commissioning of the manufacturing plant in July 2016, UCSB has exported to the ASEAN countries, Middle East, North Africa, Russia and the Asia-Pacific region. Being strategically located in the Asia-Pacific region, we expect UCSB's business to grow substantially in the years to come. Global fiber optic cable production output is expected to grow at least 5.0 percent over the next 5 years.

Our Unigel business represents a truly epochal step forward for the Group – over 90.0 percent of the production is exported, and with a strong research and development capability, we are developing the use of our products in other industrial applications beyond the cable industry.

In this financial year, demand for fiber optic cables in the Malaysian market improved substantially. The commitment of the Malaysian Government toward affordable broadband for all Malaysians, the robust rollout and implementation of High Speed Broadband Phase 2 and Sub Urban Broadband by Telekom Malaysia Berhad and the investment in outside plant infrastructure by mobile service providers for their LTE or 4G networks contributed very positively to our industry. The Company continues to be optimistic about the fiber optic cable market in Malaysia.

Chairman's *statement*

It is reported that the Malaysian Communications and Multimedia Commission has a target to provide broadband access for 95.0 percent of Malaysians by 2020, with initiatives to offer speeds of up to 100Mbps to at least 50.0 percent of urban areas and 20.0 percent of rural locations. Broadband penetration as at 31 December 2015 stands at 77.3 percent. With the need for increased speed, higher bandwidth for content-rich applications and service level reliability, the demand for fiber optic cables is expected to grow substantially.



Opcom continues to improve on its manufacturing efficiency and product design to remain competitive in the marketplace. The weakening of the local currency this year have had a substantial impact on our industry, and the continued strong growth of the global fiber optic cable market has resulted in a shortage of optic fibers over the past 12 months. However, due to our long-term stable relationships

with our supply partners – the Company is able to secure the necessary raw materials for our production requirement.

RESEARCH AND DEVELOPMENT (R&D)

Opcom continues with its long established tradition of investing a significant portion of its revenue on research and development. During the financial year, we introduced new products with higher performance specification at a lower cost as a result of our collaboration with our customers. We continue to innovate and look at new network products and components which can assist our customers to reduce their installation cost and increase the speed of deployment including the use of pre-connectorised network solutions.

In collaboration with other industry partners, Opcom hopes to increase the local content of raw materials and components for its fiber optic cable products and we believe that this endeavor will bear fruit in the not too distant future.

In the beginning of this financial year, we embarked on a productivity initiative known as the Innovation Circle. As a pioneer in the local fiber optic cable industry for the past 22 years, the Company is reviewing every aspect of our business activities, to find opportunities for improvement in our current business processes and re-invent ourselves to stay relevant over the next 10 years.

CORPORATE GOVERNANCE

Statement on Risk Management and Internal Control presented in this Annual Report affirms Opcom's Board commitment in ensuring compliance with the Principles and Best Practices set out in the Malaysian Code on Corporate Governance 2012 which is a crucial and fundamental requirement in the course of discharging our duty to protect and enhance shareholders value as well as the financial position and performance of Opcom.

Human capital is vital for the continued success of the Group



There were no sanctions and/or penalties imposed on Opcom and its subsidiaries and their directors by any relevant regulatory bodies for FY2016.

CORPORATE SOCIAL RESPONSIBILITY

Opcom is committed to fulfilling its corporate social responsibilities as we believe that responsible business leads to sustainable and profitable results. We are committed to manufacture and deliver our products in ways that are both environmentally sustainable and socially responsible. Opcom's plant and operations adopt innovative ways to reduce our environmental impact and waste while ensuring quality and value to our customers and stakeholders.

We strive to provide a dynamic and challenging workplace that gives employees the opportunity to develop their skills and talents as well as putting high priority on safety and healthy working environment for our employees.

We have not only transformed and embarked on new businesses; we have also established an enduring model of responsible community stewardship. We impact positively on society and local communities where we live and work through corporate philanthropy, employees giving and volunteerism, and corporate contribution on time and expertise.

As part of Opcom's yearly event, Opcom hosted Hari Raya Open House for more than 100 children from Institut Taufiq Islami, Klang, Selangor Darul Ehsan, with contributions of cash and daily necessities to the children. Health talk campaigns and semi-annual blood donation which was jointly organised with University Malaya Medical Centre was held at Opcom's premise to create health awareness. Other activities such as recycling program and energy saving campaign were held to spread goodwill among employees and to promote environmental friendly lifestyle.



ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I would like to extend our sincere gratitude to our customers, business partners and associates for their continued trust and confidence in us. Our heartfelt appreciation 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 hard work, dedication 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



A NEW PHASE OF GROWTH BY

REALISING OUR STRATEGIC INITIATIVES

Having the drive and passion to pioneer
new production capabilities



board of
DIRECTOR



S

From Left To Right :

Sven Janne Sjöden

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

Tan Sri Mokhzani Mahathir

Chhoa Kwang Hua, Eric

Abdul Jabbar Bin Abdul Majid

Chan Bee Lean



board of directors'
PROFILE

TAN SRI MOKHZANI MAHATHIR

Chairman
Executive Director

Tan Sri Mokhzani Mahathir, a Male Malaysian, aged 55, was appointed as a Director of Opcom Holdings Berhad on 8 May 2009. He is also the Chairman and Chief Executive Officer of the Company.

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

He began his career as a Wellsite Operations Engineer with Sarawak Shell Berhad in 1987. He later joined Tongkah Holdings Berhad in 1989 and was appointed as the Group Managing Director, a post he held until 2001. He was the Chairman and Group Chief Executive Officer of Pantai Holdings Berhad until 2001. He was also a founding member and had served as Non-Independent Non-Executive Director and Vice Chairman of SapuraKencana Petroleum Berhad, one of the world's largest oil and gas services companies until March 2015. Presently, he sits on the board of Maxis Berhad, Malaysia's premier telecommunications company.

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

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

CHHOA KWANG HUA, ERIC

Executive Director

Mr Chhoa Kwang Hua, a Male Malaysian, aged 51, co-founded the Company with Dato' Seri Mukhriz Mahathir in 1994. He is the Executive Director of the Company.

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

As part of the leadership team of the Group, Eric is responsible for the day-to-day management of the Group's business and financial activities. He continues to focus on the Group's diversification initiative locally and overseas to support the long-term business growth of the Group.

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

Independent Non-Executive Director

Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said, a Male Malaysian, aged 70, was appointed as a Director of Opcom Holdings Berhad on 12 September 2003. He serves as the Chairman of the Audit Committee and is a member of the Nominating & Remuneration Committee.

He was a career soldier, having served in the Malaysian Army for over thirty six (36) years beginning in 1965. He is also a graduate of the US Marine Corps Command and General Staff College, the Malaysian Armed Forces Defence College and the Pakistan National Defence College courses.

He held various command and staff appointments in the Army, notably as the Brigade Commander of 10 Parachute Brigade, General Officer Commanding 3rd Infantry Division and finally the General Officer Commanding Army Field Command. On 2 June 2001, he was awarded the Seri Pahlawan Gagah Perkasa (SPGP), the nation's highest award for gallantry.

**ABDUL JABBAR
BIN ABDUL MAJID**

Independent Non-Executive Director

Encik Abdul Jabbar Bin Abdul Majid, a Male Malaysian, aged 71, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He serves as the Chairman of the Nominating & Remuneration Committee. He is a fellow of the Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants.

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

SVEN JANNE SJÖDEN

Independent Non-Executive Director

Mr Sven Janne Sjöden, a Male Swedish national, aged 71, was appointed as a Director of Opcom Holdings Berhad on 11 November 2003. He is a member of the Audit Committee and Nominating & Remuneration Committee.

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

He held various senior positions within production both at Telefonaktiebolaget LM Ericsson, Sweden and ENT. During the period 1988 to 1992, he served as Divisional Manager within the Telecom and Power Cables Divisions as well as Vice President for ENT.

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

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

CHAN BEE LEAN

Independent Non-Executive Director

Ms Chan Bee Lean, a Female Malaysian, aged 45, was appointed as a Director of Opcom Holdings Berhad on 7 January 2010. She is a member of the Audit Committee.

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

She has been in internal auditing for over eighteen (18) years. She is currently the Group Internal Audit Manager of Merge Housing Sdn. Bhd. and its related companies.

Notes:

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

profile of senior
MANAGEMENT



TAN SRI MOKHZANI MAHATHIR

Chief Executive Officer

Profile set out on page 20.



CHHOA KWANG HUA, ERIC

Deputy Chief Executive Officer

Profile set out on page 20.



NOOR AKMAL FADZILA IBRAHIM

General Manager – Marketing

Noor Akmal Fadzila Ibrahim, a Female Malaysian, aged 36, joined the Group in 2014 as General Manager of the Sales and Marketing function at Opcor Cables Sdn. Bhd. Trained as an engineer and project manager, she obtained her MSc. in Engineering Management from the University of Sunderland, United Kingdom in 2005. She has over ten (10) years of experience in the field of information technology and telecommunication.



YEONG WAI YEE, SAMANTHA

Deputy General Manager – Supply Chain

Yeong Wai Yee, Samantha, a Female Malaysian, aged 35, joined the Group in 2012. She earned an Advanced Diploma in Business Administration from Institut Sarjana accredited by University of Oxford in 2000. She has many years of experience in purchasing and material planning. She is responsible for the Supply Chain function of the Group.

**YUSREE PUTRA ALIAS***Chief Operating Officer*

Yusree Putra Alias, a Male Malaysian, aged 46, joined the Group in 1997. He earned a Diploma in Electrical Engineering (Electronics) from Universiti Teknologi MARA (UiTM) in 1993. Yusree started his career in Marconi (M) Sdn. Bhd. as an Engineer where he was involved in planning and design, installation and commissioning of fiber optic cables and systems. He joined the Group in April 1997 as a Project Manager and since 2000 has been responsible for Marketing and Sales. He was appointed as Vice President in 2010 and subsequently as Chief Operating Officer of Opcom Cables Sdn. Bhd. in 2014. As Chief Operating Officer, Yusree assumes the day-to-day operational responsibilities at Opcom Cables Sdn. Bhd.

**ROHIZA HUSAIN***Plant Manager*

Rohiza Husain, a Female Malaysian, aged 47, joined the Group in 2011. She earned a Bachelor in Electrical Engineering from Gunma University, Japan in 1993. Rohiza 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 responsible for the manufacturing and engineering functions at Opcom Cables Sdn. Bhd.

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

Koo Chien Fui, Johnny, a Male Malaysian, aged 41, joined the Group in 2015. He earned his MBA from the University of Western Australia in 2000. He has over fifteen (15) years of experience in the field of Finance and Accounts in various industries including property development, shipping and logistics. He is responsible for the financial operations of the Group's cable manufacturing activities.

**TANG WEN HSI, STEPHANIE***Finance and Corporate Services Manager*

Tang Wen Hsi, Stephanie, a Female Malaysian, aged 32, joined the Group in June 2012. She earned a Postgraduate Degree in Accountancy from Royal Melbourne Institute of Technology, Australia in Year 2005. She is a member of Certified Practicing Accountants Australia and a member of Malaysian Institute of Accountants.

Stephanie spent 4 years at Ernst & Young, Malaysia as an auditor and worked in the hospitality industry prior to joining the Company as an Accountant. She is responsible for Finance and Corporate Services functions of the Group.

**KHALIJAH BAKAR***Group Human Resource and Administration Manager*

Khalijah Bakar, a Female Malaysian, aged 42, joined the Group in 2015. She earned a Diploma in Accountancy in 2004, Bachelor Degree in Business Administration (majoring in Human Resource Management) in 2009 and Master of Business Administration (MBA) in 2013 from University Technology Mara (UiTM). Khalijah has over twenty (20) years experience in Human Resource, Administration and Corporate Affairs in various industries including oil and gas, pharmaceutical, tourism and manufacturing. She is responsible for the Human Resource and Administration function of the Group.



A NEW PHASE OF GROWTH BY

DIVERSIFYING OUR VALUE PROPOSITIONS

The only constant is change in our business
Services and exports will be our new growth frontiers

UNIGEL®
The Cable Makers' Choice



Corporate Governance Statement

The Board of Directors (“Board”) recognises the importance for the Company to maintain high standards of transparency, accountability and integrity in the conducts of the Company and its subsidiaries (“Group”) business and affairs. The Board adopts and applies the Principles and Best Practices as governed by the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“Listing Requirements”) and Guidance Note 11 on Corporate Governance, undertakes additional measures, principles and recommendation embodied in the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) and strives to adopt the substance and not merely the form behind the corporate governance prescription.

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

1. THE BOARD

The Board is responsible for the Company’s overall strategic direction and objectives, its acquisition and divestment policies, financial policy, major investments and the consideration of significant financial matters. The Board’s spectrum of skills and experience gives added strength to the leadership, thus ensuring the Group is under the guidance of an accountable and competent Board.

The 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 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 KPIs 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 meet 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:

1.1 Board Charter and Code of Conduct of the Board

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

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

1. THE BOARD (CONT'D)

1.1 Board Charter and Code of Conduct of the Board (Cont'd)

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.

1.2 Composition and Balance of the Board

The Board has six (6) members comprising two (2) Executive Directors and four (4) Non-Executive Directors. All four (4) Non-Executive Directors are Independent Non-Executive Directors, thus, this complies with Rule 15.02 of the Listing Requirements that at least one-third (1/3) of the Board is independent directors.

The Directors have wide ranging experience and all have occupied or are currently occupying senior positions in the public and/or private sectors. A brief profile of each Board member is as set out on pages 20 to 21 of this Annual Report. The presence of independent directors fulfils a pivotal role in corporate accountability and the role of the independent directors is particularly important as they provide unbiased and independent views, advice and judgement.

1.3 The Board Meeting

The Board meets regularly, at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. Additional meeting would be convened when urgent and important decision needs the Board's review and consideration between scheduled meetings. During the financial year under review, four (4) meetings of the Board were held and all Directors have complied with the requirement in respect of Board Meeting attendance as provided in the Listing Requirements. The details of Directors' attendance are set out below:

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

1.4 Supply of and Access to Information and Advice

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

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

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

Corporate Governance Statement

1. THE BOARD (CONT'D)

1.5 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 (some by external advisers) 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.

1.6 Appointment and Re-election

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

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

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

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

Sven Janne Sjöden
(Independent Non-Executive Director)

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

The NRC is also responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees, the performance of each existing Director and its Independent Directors. With the latest compliance to the Listing Requirements, the NRC is responsible to review the term of office of the audit committee members and performance of the audit committee and each of its members annually.

1. THE BOARD (CONT'D)

1.6 Appointment and Re-election (Cont'd)

In accordance with the Company's Articles of Association, at every Annual General Meeting ("AGM") one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one third shall retire from office such that each Director shall retire from office once in every three (3) years and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election. Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors over the age of seventy (70) are required to offer themselves for re-appointment at every AGM.

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 2016 meeting, the Board approved that Chhoa Kwang Hua, Eric who is due to retire by rotation at the forthcoming AGM, be eligible to stand for re-election. The Director has expressed his intention for re-election at the forthcoming AGM.

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 MCCG 2012 recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years, however, the independent director may continue to serve on the board subject to board's justification as per the Listing Requirements.

The NRC had undertaken a review and assessment of the level of independence of the independent directors of the Board and based on the assessment, the Board is 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. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Abdul Jabbar Bin Abdul Majid, who both serve 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. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Abdul Jabbar Bin Abdul Majid have been demonstrably independent in carrying out their roles as members of the Board and Board Committees, notably in fulfilling their roles as Chairman of the Audit Committee and NRC. The Board is therefore recommending to the shareholders at the forthcoming AGM to retain both Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Abdul Jabbar Bin Abdul Majid as the independent directors of the Company.

Corporate Governance Statement

1. THE BOARD (CONT'D)

1.6 Appointment and Re-election (Cont'd)

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

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

- Reviewed the mix of skill and experience and other qualities of the Board;
- Accessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- Discussed the Company'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;
- Reviewed the Company's Directors' meeting allowances; and
- Reviewed the Employment Contract/The Senior Management.

1.7 Directors' Remuneration

The aggregate remuneration of the Directors for the financial year ended 31 March 2016 are as follows:

Company		
Remuneration	Executives (RM)	Non-Executives (RM)
Directors' fees	48,000	96,000
Allowances	29,250	67,500
Total	77,250	163,500
Group		
Remuneration	Executives (RM)	Non-Executives (RM)
Directors' fees	96,000	96,000
Salaries	335,657	–
Allowances	124,250	67,500
Benefit-in-kind	153,719	–
Total	709,626	163,500

1. THE BOARD (CONT'D)

1.7 Directors' Remuneration (Cont'd)

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

Company		
Band of Remuneration	Executives	Non-Executives
RM50,000 and below	2	3
RM 50,001 to RM100,000	–	1
Total	2	4

Group		
Band of Remuneration	Executives	Non-Executives
RM50,000 and below	–	3
RM50,001 to RM100,000	–	1
RM300,001 to RM350,000	1	–
RM350,001 to RM400,000	1	–
Total	2	4

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

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

1.8 Succession Plan

The Board is notified of the appointments and replacements, if any, of Senior Management and the NRC monitors and evaluates the performance of the members of the Board with a view of continuous improvements and to plan for successors when the need arises.

2. AUDIT COMMITTEE

As of financial year ended 31 March 2016, 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.

Corporate Governance Statement

3. SHAREHOLDERS

3.1 Dialogue between the Company and Investors

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

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

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

3.2 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.

As a best practice, the Chairman would at the commencement of the general meeting inform the shareholders of their rights to request to vote by poll. In line with the latest amendments to the Listing Requirements, the Board will take the requisite steps to comply with the requirement for poll voting at the forthcoming twenty-first AGM. Summary of key matters will be published on the Company's website at www.opcom.com.my.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

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

4.2 Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and 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, 1965 and the Listing Requirements of Bursa Securities have been applied. In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made 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, 1965. The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

4.3 Internal Control

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

Currently, the Group does not maintain an Internal Audit Department but had outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn. Bhd., who reports directly to the Audit Committee, to ensure independent reviews be carried out on the adequacy and integrity of the Group's system of internal controls. The Board considers the system of internal controls instituted throughout the Group sound and sufficient. The total cost incurred for the Internal Audit activities of the Group for the financial year under review was RM50,000.00. The Statement on Risk Management and Internal Control furnished on pages 42 to 44 of the Annual Report provides an overview on the state of internal controls within the Group.

Corporate Governance Statement

4. ACCOUNTABILITY AND AUDIT (CONT'D)

4.4 Relationship with the Auditors

Through the Audit Committee, the Board has established and maintained a formal and transparent relationship with the Group's external and internal auditors. A summary of the activities of the Audit Committee during the financial year is set out under the Audit Committee Report on pages 38 to 41 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 satisfied with the suitability and independence of the external auditors based on quality and competence of services delivered and sufficiency of the professional staff assigned to the annual audit for the financial year ended 31 March 2016 and has made recommendation to the Board on their re-appointment and remuneration.

During the financial year, the non-audit fee incurred for services rendered by the external auditors to the Company and the Group was RM27,500, which is not substantial and did not in any way impair their objectivity and independence as external auditors of the Company.

5. STRATEGIES PROMOTING SUSTAINABILITY

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 where the Group operates.

The strategies to promote sustainability and its implementation can be found at the Company's website.

6. COMPLIANCE WITH THE MCCG 2012

The Board strives to ensure that the Group complies with the Principles and Best Practices of the Code. The Board will endeavour to improve and enhance procedures in the Group to ensure compliance from time to time. The Group has complied with the Best Practice of the Code during the financial year ended 31 March 2016.

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

There was no material contract entered into by the Group involving the directors' or major shareholders' interest during the financial year ended 31 March 2016.

8. 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 affect its assets, income and ultimately, its profits.

9. 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 reviews 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.

10. 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 2016 pursuant to the shareholders' mandate were as follows:

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate Value (RM)
Opcom Sdn. Bhd. ("OSB") Group and associated companies	Purchase of goods and services from OSB <ul style="list-style-type: none"> • Accessories and related training • Business development commission • Corporate and accounting expenses • Motor vehicle expenses 	Tan Sri Mokhzani Mahathir ^a Dato' Seri Mukhriz Mahathir ^b Tok Puan Norzieta Zakaria ^c Mirzan Mahathir ^d MOCSB ^e	–
	Letting of office space of 1,200 sq.ft. at No.11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM225 per month to OSB		2,700

Corporate Governance Statement

10. RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate Value (RM)
Airzed Broadband Sdn. Bhd. ("ABSB")	Letting of Opcom's open area of 4,895 sq.ft. at No.11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan at RM1,500 per month to ABSB	Dato' Seri Mukhriz Mahathir ^b Tok Puan Norzieta Zakaria ^c Mirzan Mahathir ^d MOCSB ^e Chhoa Kwang Hua ^f Chhoa Kuang Yaw ^g	18,000
Perennial Renaissance Sdn. Bhd. ("PRSB")	Renting of PRSB's office space at 1,000 sq.ft. at D-10-P2 Plaza Mont' Kiara, No.2 Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur at RM3,000 per month by Opcom	Chhoa Kwang Hua ^f Chhoa Kuang Yaw ^g	36,000
Unigel (UK) Limited Group ("Unigel Group") and associated companies	Supply of goods and services to Unigel Group and its associated companies <ul style="list-style-type: none"> All chemical including petroleum based products Purchase of goods and services from Unigel Group and its associated companies <ul style="list-style-type: none"> Cable related raw materials, components and other such related merchandise 	Chhoa Kwang Hua ^f UL ^h Hikari ⁱ	20,563,613 -

10. RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

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. ("UCSB") 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, PRSB, Hikari Capital Limited ("Hikari") and Unigel Limited ("UL").
- g Chhoa Kuang Yaw, the brother of Chhoa Kwang Hua is a director and major shareholder of PRSB.
- h UL, a 60% shareholder of Unigel Group.
- i Hikari is the holding company of UL.

Audit Committee Report

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

1. MEMBERSHIP

The present members of the Committee comprised:

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

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

Chan Bee Lean
(Independent Non-Executive Director)

2. ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2016

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

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

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

3. SUMMARY OF ACTIVITIES OF THE COMMITTEE

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

- i. Review and assess the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.
- ii. Review the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities is adequately covered.
- iii. Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:
 - (a) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - (b) changes in or implementation of major accounting policy changes; and
 - (c) compliance with accounting standards and other legal requirements.

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

- iv. Review the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.
- v. Review the policies, procedures and processes established for related party transactions.
- vi. Review and recommend to the Board the proposed final audit fees for the external auditors and internal auditors in respect of their audit of the Company and the Group.
- vii. Consider the appointment of the external auditors and renewal of internal audit engagement.
- viii. Meet with the external auditors twice a year without the presence of any executive director and management personnel.
- ix. Report Committee's recommendations and actions to the Board of Directors as the Committee deems appropriate.
- x. Review the policies and procedures in the Finance Manual of Opcom Cables Sdn. Bhd.

4. INTERNAL AUDIT ACTIVITIES

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

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

5. TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the Committee is guided by its terms of reference. The terms of reference are accessible to the public on the Company's website at www.opcom.com.my.

5.1 Members

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

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

Audit Committee Report

5. TERMS OF REFERENCE (CONT'D)

5.2 Authority

The Audit Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company have authority to investigate any matter within its terms of reference, have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties.

The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity and be able to obtain independent professional advice and to secure the attendance of external advisers with relevant expertise, to convene meetings with the external auditors and/or the internal auditors, excluding the attendance of other Directors and employees of the Group at least twice (2) a year.

5.3 Functions and Duties

The functions of the Audit Committee are as follow:

- i. To review and recommends to the Board:
 - (a) External Audit
 - the appointment of the external auditors, the audit fee and any question of resignation or dismissal and reason (supported by grounds) for dismissal of the Company's external auditors;
 - the adequacy of external auditors audit plans and arrangements, with particular emphasis on the scope and quality of audit;
 - the external auditors' audit reports;
 - Management letter by the external auditors to the Group and the Management's response to such letter; and
 - to review and consider the change of external auditors of the Group or any company within the Group every three (3) to five (5) years cycle in order to retain the independence of review and opinion of the external auditors.
 - (b) Internal Audit
 - nomination and any letters of resignation of the internal auditors;
 - the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - the internal audit programme, processes, the results of the internal audit programme, processes and/or investigation undertaken and whether or not appropriate remedial actions are taken by Management on the recommendations of the internal audit function; and
 - the effectiveness of the internal controls and management information systems.
 - (c) Risk Management
 - all areas of significant financial risks and the arrangement in place to contain those risks to acceptable levels.
 - (d) Financial Reporting
 - the quarterly results and year-end financial statements, before the approval of the Board.

5. TERMS OF REFERENCE (CONT'D)

5.3 Functions and Duties (Cont'd)

- i. To review and recommends to the Board: (Cont'd)
 - (e) Related Party Transactions
 - any related party transactions and situations of potential conflict of interests that may arise within the Company and/or the Group including any transactions, procedures or courses of conduct that raise questions of management integrity.
- ii. To carry out any other function that may be mutually agreed upon by the Committee and the Board, which would benefit the Company and/or the Group.
- iii. To review and verify the allocation of share options to eligible persons as being in compliance with the by-laws approved by the Board and shareholders of the Company.
- iv. To promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements.
- v. Relevant actions carried out by the Company shall be reported to the Board with such recommendations as the Committee deemed appropriate.

5.4 Meetings

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

5.5 Procedure of Committee

The Committee may regulate its own procedures, in particular:

- i. the calling of meetings;
- ii. the notice to be given of such meetings;
- iii. the voting and proceedings of such meetings;
- iv. the keeping of minutes; and
- v. the custody, production and inspection of such minutes.

5.6 Secretary

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

Statement on Risk Management & Internal Control

INTRODUCTION

The Board of Directors of Opcom Holdings Berhad ("Board") and its subsidiaries ("Group") is pleased to provide the following statement on the state of risk management and internal control of the Group for the financial year ended 31 March 2016, which has been prepared in accordance with the "Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers" (the "Guidelines") issued by the Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

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

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

The Board acknowledges that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The Board through its Audit Committee reviews the results of this process quarterly, including measures that have been carried out by management to mitigate and address the key risks areas. This process has been in place for the financial year under review and up to the date of approval of this Statement.

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

RISK MANAGEMENT FRAMEWORK

The Board has a structured Risk Management Framework to facilitate the Group's objective to identify, evaluate and manage significant business risks. The framework includes examining of business risks, assessing impact and likelihood of risks and taking management action plans to mitigate and minimise risk exposures. The Board through its Audit Committee, oversees on the risk management framework. The Risk Management Committee, which comprises of Management and Head of Workgroups of the Company, met twelve (12) times during the financial year ended 31 March 2016, and carried out its duties in accordance with the Group's Risk Management Policies and Procedures.

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

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

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

INTERNAL AUDIT

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

In addition, the Management's response to the control recommendations on deficiencies identified during the internal audits 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.

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

OTHER KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM

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

- **Control Procedures**

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

- **Organisational Structure and Accountability Levels**

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

- **Reporting Review**

The Group's management team monitor and review the financial results and budgets for all business units within the Group on a monthly basis. The processes include monitoring and reporting of performance against the operating plans and annual budgets in 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.



Statement on Risk Management & Internal Control

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

The Board is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks. There was no significant breakdown or weakness in the system of internal controls of the Group that may result in material loss to the Group for the financial year ended 31 March 2016.

Financial Statements

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

Report of the Directors

The directors of **OPCOM HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies and associated companies are disclosed in Note 13 and Note 14 to the financial statements respectively.

There have been no significant changes in the nature of the activities of the Company, its subsidiary companies and associated companies during the financial year.

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit before tax	8,296,478	2,928,759
Income tax expense	(2,841,889)	(191,218)
Profit for the year	<u>5,454,589</u>	<u>2,737,541</u>
Attributable to:		
Owners of the Company	7,424,938	
Non-controlling interests	(1,970,349)	
	<u>5,454,589</u>	

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, other than the impairment loss and reversal of contingent consideration as disclosed in Note 14 to the financial statements.

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 1.50 sen per ordinary share of RM0.20 each paid on 10 September 2015	<u>2,418,751</u>

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 at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there 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 realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

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

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

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

Report of the Directors

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

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

DIRECTORS

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

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

DIRECTORS' INTERESTS

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

	No. of ordinary shares of RM0.20 each			Balance as of 31.03.2016
	Balance as of 1.4.2015	Bought	Sold	
Shares in the Company				
Registered in the name of the directors				
Chhoa Kwang Hua	471,700	25,000	(471,700)	25,000
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	715,625	–	–	715,625
Abdul Jabbar Bin Abdul Majid	625,000	–	–	625,000
Sven Janne Sjöden	230,000	–	–	230,000

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

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

DIRECTORS' BENEFITS

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

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

AUDITORS

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

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

TAN SRI MOKHZANI MAHATHIR**CHHOA KWANG HUA**

Petaling Jaya,
23 June 2016

Independent Auditors' Report

to the Members of Opcom Holdings Berhad
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **OPCOM HOLDINGS BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 March 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 103.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

- (a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies, have been properly kept in accordance with the provisions of the Act;

- (b) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations as required by us for these purposes; and
- (c) the auditors' reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

DELOITTE
AF 0080
Chartered Accountants

LAI CAN YIEW
Partner - 2179/11/16 (J)
Chartered Accountant

23 June 2016

Statements of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2016

	Note	The Group		The Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Revenue	5	102,587,590	79,446,068	7,137,402	7,085,772
Cost of sales	6	(81,752,413)	(64,121,920)	(3,411,083)	(3,138,465)
Gross profit		20,835,177	15,324,148	3,726,319	3,947,307
Other income		6,511,169	679,520	314	-
Interest income		1,464,205	1,338,548	342,808	429,519
Distribution costs		(4,120,944)	(2,526,733)	-	-
Administrative expenses		(10,054,160)	(8,053,099)	(1,140,682)	(1,140,492)
Other expenses		(3,939,576)	(2,057,681)	-	-
Impairment loss on investment in associated companies	14	(3,202,214)	-	-	-
Finance costs		(68,633)	(43,617)	-	-
Share of results of associated companies	14	871,454	155,621	-	-
Profit before tax	7	8,296,478	4,816,707	2,928,759	3,236,334
Income tax expense	9	(2,841,889)	(821,815)	(191,218)	(824,569)
Profit for the year		5,454,589	3,994,892	2,737,541	2,411,765
Other comprehensive (loss)/income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation differences		(370,594)	1,832,843	-	-
Total comprehensive income for the year		5,083,995	5,827,735	2,737,541	2,411,765
Profit/(Loss) for the year attributable to:					
Owners to the Company		7,424,938	4,441,856	2,737,541	2,411,765
Non-controlling interests		(1,970,349)	(446,964)	-	-
		5,454,589	3,994,892	2,737,541	2,411,765
Total comprehensive income/(loss) for the year attributable to:					
Owners to the Company		7,054,344	6,274,699	2,737,541	2,411,765
Non-controlling interests		(1,970,349)	(446,964)	-	-
		5,083,995	5,827,735	2,737,541	2,411,765
Earnings per share					
Basic (sen per share)	10	4.6	2.8		

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

Statements of Financial Position

AS OF 31 MARCH 2016

	Note	The Group		The Company	
		2016 RM	2015 RM	2016 RM	2015 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	11	38,345,509	35,855,426	13,332,953	13,529,553
Investment properties	12	-	-	10,149,516	6,627,197
Investment in subsidiary companies	13	-	-	13,700,004	13,700,002
Investment in associated companies	14	13,171,544	14,951,624	-	-
Deferred tax assets	22	6,408	390,723	-	-
Total Non-Current Assets		51,523,461	51,197,773	37,182,473	33,856,752
Current Assets					
Inventories	15	7,941,585	9,102,626	-	-
Tax recoverable		327,354	1,196,068	-	-
Trade receivables	16	10,541,248	11,510,119	-	-
Other receivables and prepaid expenses	17	1,479,534	777,151	363,355	249,161
Amount owing by subsidiary companies	28	-	-	5,650,648	4,846,123
Amount owing by associated companies	28	9,343,958	11,724,865	-	-
Amount owing by related party	28	2,250	75,224	2,250	5,327
Cash and cash equivalents	18	40,157,629	49,456,842	9,690,186	12,353,047
Total Current Assets		69,793,558	83,842,895	15,706,439	17,453,658
Total Assets		121,317,019	135,040,668	52,888,912	51,310,410

Statements of Financial Position

AS OF 31 MARCH 2016

	Note	The Group		The Company	
		2016 RM	2015 RM	2016 RM	2015 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	19	32,249,987	32,249,987	32,249,987	32,249,987
Reserves	21	49,617,784	44,982,191	12,274,107	11,955,317
Equity attributable to owners of the Company		81,867,771	77,232,178	44,524,094	44,205,304
Non-controlling interests		12,943,777	14,914,126	-	-
Total Equity		94,811,548	92,146,304	44,524,094	44,205,304
Non-current Liability					
Deferred tax liabilities	22	1,520,474	1,947,077	1,511,766	2,183,379
Current Liabilities					
Trade payables	23	4,939,392	11,656,464	-	-
Other payables and accrued expenses	24	4,945,789	6,237,462	960,636	606,268
Amount owing to subsidiary companies	28	-	-	5,650,616	4,010,884
Amount owing to corporate shareholder of a subsidiary company	28	9,915,247	15,450,393	-	-
Amount owing to related parties	28	1,292,867	3,680	1,575	1,575
Bank borrowings (unsecured)	25	3,287,181	6,670,926	-	-
Tax liabilities		409,950	730,415	240,225	303,000
Derivative financial liabilities	26	99,003	-	-	-
Provision for liquidated damages	27	95,568	197,947	-	-
Total Current Liabilities		24,984,997	40,947,287	6,853,052	4,921,727
Total Liabilities		26,505,471	42,894,364	8,364,818	7,105,106
Total Equity and Liabilities		121,317,019	135,040,668	52,888,912	51,310,410

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

Statements of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2016

The Group	Note	Non-distributable reserves -				Distributable reserves -			Total RM
		Share capital RM	Share premium RM	Capital reserve RM	Translation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	
Balance as of 1 April 2014		25,800,000	5,811,530	3,283	-	40,955,166	72,569,979	15,361,090	87,931,069
Bonus issue	19	6,449,987	(5,811,530)	-	-	(638,457)	-	-	-
Profit/(Loss) for the year		-	-	-	-	4,441,856	4,441,856	(446,964)	3,994,892
Other comprehensive income		-	-	-	1,832,843	-	1,832,843	-	1,832,843
Total comprehensive income/(loss) for the year		-	-	-	1,832,843	4,441,856	6,274,699	(446,964)	5,827,735
Dividends	20	-	-	-	-	(1,612,500)	(1,612,500)	-	(1,612,500)
Balance as of 31 March 2015		32,249,987	-	3,283	1,832,843	43,146,065	77,232,178	14,914,126	92,146,304
Balance as of 1 April 2015		32,249,987	-	3,283	1,832,843	43,146,065	77,232,178	14,914,126	92,146,304
Profit/(Loss) for the year		-	-	-	-	7,424,938	7,424,938	(1,970,349)	5,454,589
Other comprehensive loss		-	-	-	(370,594)	-	(370,594)	-	(370,594)
Total comprehensive income/(loss) for the year		-	-	-	(370,594)	7,424,938	7,054,344	(1,970,349)	5,083,995
Dividends	20	-	-	-	-	(2,418,751)	(2,418,751)	-	(2,418,751)
Balance as of 31 March 2016		32,249,987	-	3,283	1,462,249	48,152,252	81,867,771	12,943,777	94,811,548

Statements of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2016

The Company

	Note	Share capital RM	Non-distributable reserves - Share premium RM	Distributable reserves - Retained earnings RM	Total RM
Balance as of 1 April 2014		25,800,000	5,811,530	11,794,509	43,406,039
Bonus issue	19	6,449,987	(5,811,530)	(638,457)	-
Total comprehensive income for the year		-	-	2,411,765	2,411,765
Dividends	20	-	-	(1,612,500)	(1,612,500)
Balance as of 31 March 2015		32,249,987	-	11,955,317	44,205,304
Balance as of 1 April 2015		32,249,987	-	11,955,317	44,205,304
Total comprehensive income for the year		-	-	2,737,541	2,737,541
Dividends	20	-	-	(2,418,751)	(2,418,751)
Balance as of 31 March 2016		32,249,987	-	12,274,107	44,524,094

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

Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2016

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	8,296,478	4,816,707	2,928,759	3,236,334
Adjustments for:				
Impairment loss on investment in associated companies	3,202,214	-	-	-
Depreciation of property, plant and equipment	2,603,124	2,639,237	270,176	278,640
Net fair value loss on financial liabilities at FVTPL	99,003	-	-	-
Finance costs	68,633	43,617	-	-
Property, plant and equipment written off	45,400	186,036	2,300	-
Inventories written down to net realisable value	38,253	32,819	-	-
Reversal of contingent consideration	(4,528,384)	-	-	-
Interest income	(1,464,205)	(1,338,548)	(342,808)	(429,519)
Share of results of associated companies	(871,454)	(155,621)	-	-
Unrealised (gain)/loss on foreign exchange	(278,662)	999,046	-	-
(Allowance for inventories obsolescence no longer required)/ Allowance for inventories obsolescence	(991,503)	22,565	-	-
Provision for liquidated damages no longer required - net	(98,914)	(62,736)	-	-
Gain on disposal of property, plant and equipment	(52,830)	(25,470)	-	(293)
Depreciation of investment properties	-	-	205,952	205,683
Operating Profit Before Working Capital Changes	6,067,153	7,157,652	3,064,379	3,290,845
Decrease/(Increase) in:				
Inventories	2,102,113	5,374,143	-	-
Trade receivables	1,033,046	4,148,516	-	-
Other receivables and prepaid expenses	(702,867)	184,355	(114,194)	(33,260)
Amount owing by subsidiary companies	-	-	(804,525)	(4,846,123)
Amount owing by associated companies	3,128,545	(10,323,188)	-	-
Amount owing by related party	72,974	3,336,082	3,077	34
(Decrease)/Increase in:				
Trade payables	(7,819,947)	(1,109,872)	-	-
Other payables and accrued expenses	2,322,202	914,376	354,368	98,333
Amount owing to subsidiary companies	-	-	1,639,732	2,341,131
Amount owing to corporate shareholder of a subsidiary company	(21,146)	(17,841)	-	-
Amount owing to related parties	1,289,187	(9,572)	-	(42,939)
Cash From Operations	7,471,260	9,654,651	4,142,837	808,021
Income tax refunded	1,174,236	239,802	-	-
Income tax paid	(3,528,706)	(1,943,088)	(925,606)	(823,095)
Liquidated damages paid	(3,465)	-	-	-
Net Cash From/(Used In) Operating Activities	5,113,325	7,951,365	3,217,231	(15,074)

Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2016

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	(5,135,815)	(400,168)	(75,876)	(20,865)
Additions to investment properties	-	-	(3,728,271)	-
Proceeds from disposal of property, plant and equipment	52,830	79,291	-	294
Interest received	1,464,205	1,338,548	342,808	429,519
Acquisition of investment in subsidiary company	-	-	(2)	-
Acquisition of investment in associated companies (Note)	-	(9,388,772)	-	-
Refund of excess payment made upon acquisition of investment in associated companies	367,002	-	-	-
Net Cash (Used In)/From Investing Activities	(3,251,778)	(8,371,101)	(3,461,341)	408,948
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Dividends paid	(2,418,751)	(1,612,500)	(2,418,751)	(1,612,500)
(Repayments of)/Proceeds from bank borrowings	(3,876,678)	5,881,979	-	-
Finance costs paid	(68,633)	(43,617)	-	-
Repayment to corporate shareholder of a subsidiary company	(5,514,000)	(3,000,000)	-	-
Net Cash (Used In)/From Financing Activities	(11,878,062)	1,225,862	(2,418,751)	(1,612,500)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,016,515)	806,126	(2,662,861)	(1,218,626)
Effect of exchange rate fluctuations on cash held	717,302	119,091	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	49,456,842	48,531,625	12,353,047	13,571,673
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 18)	40,157,629	49,456,842	9,690,186	12,353,047

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

	The Group	
	2016 RM	2015 RM
By cash	-	9,388,772
Contingent consideration payable	-	3,657,360
	-	13,046,132

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

Notes to the Financial Statements

1. GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies and associated companies are disclosed in Note 13 and Note 14 respectively.

There have been no significant changes in the nature of the activities of the Company, its subsidiary companies and associated companies during the financial year.

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

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

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 23 June 2016.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of new and revised MFRS

In the current year, the Group and the Company have adopted the revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 April 2015:

Amendments to MFRSs
Amendments to MFRSs
Amendments to MFRS 119

Annual improvements to MFRSs 2010 – 2012 Cycle
Annual improvements to MFRSs 2011 – 2013 Cycle
Defined Benefit Plans – Employee Contributions

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

Notes to the Financial Statements

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

Standards and Amendments in Issue But Not Yet Effective

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

MFRS 9	Financial Instruments ³
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 as issued by IASB in November 2009 and October 2010) and Transition Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
MFRS 14	Regulatory Deferral Account ¹
MFRS 15	Revenue from Contracts with Customers ³
Clarifications to MFRS 15	Revenue from Contracts with Customers ³
MFRS 16	Leases ⁴
Amendments to MFRS 101	Disclosure Initiative ¹
Amendments to MFRS 107	Disclosure Initiative ²
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ²
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2012–2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

⁴ Effective for annual periods beginning on or after 1 January 2019

⁵ Effective date deferred to a date to be determined and announced

The directors anticipate that the abovementioned Standards and Amendments 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 and Amendments will have no impact on the financial statements of the Group and the Company in the period of initial application.

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.

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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (Cont'd)

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

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

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

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

Subsidiary Companies

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (Cont'd)

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

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

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

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

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

Investments in Associated Companies

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

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

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in Associated Companies (Cont'd)

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

(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.

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. (formerly known as Opcorn Niaga 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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Defined Contribution Plan

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

Borrowing Costs

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

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

Income Taxes

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

Current Tax

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

Deferred Tax

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes (Cont'd)

Deferred Tax (Cont'd)

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.

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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

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

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

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 the profit or loss.

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

Long-term leasehold land	60 years
Buildings	50 years
Motor vehicles	5 years
Office equipment	10 years
Computer equipment	4 years
Plant and machinery	15 years
Renovations	5 years
Tools and equipment	10 years
Furniture, fixtures and fittings	10 - 20 years

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

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

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 initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Properties (Cont'd)

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.

Inventories

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

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

Segment Reporting

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

Contingent Liabilities

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

Provisions

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

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

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

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

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

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(i) Financial assets (Cont'd)

(c) Impairment of financial assets (Cont'd)

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.

(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.

(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.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

Derivative Financial Instruments

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group enters into foreign currency forward contracts to manage its exposure to foreign exchange risk.

Derivatives are initially recognised at fair value at the date of the derivative contract is entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset, a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Statements of Cash Flows

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

(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, the investment in associated companies 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 flow covering a five year period, based on management's past experience and future expectations. For the free cash flows extending beyond the detailed planning period, a terminal value was computed. The key assumptions are disclosed in Note 14.

(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 inventories 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 inventories obsolescence at the end of the reporting period are as disclosed in Note 15.

Notes to the Financial Statements

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(d) Contingent consideration

Contingent consideration, resulting from business combination, is valued at fair value at the acquisition date as part of the business combination. Where the contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The key assumptions are disclosed in Note 14.

5. REVENUE

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Sales of cables	71,500,827	42,629,729	-	-
Sales of accessories	9,191,363	7,434,869	-	-
Sales of oil based industrial materials	20,696,923	29,313,898	-	-
Engineering services income	1,130,905	-	-	-
Rental income from:				
Related parties (Note 28)	20,700	18,000	20,700	18,000
Subsidiary companies (Note 28)	-	-	3,577,830	3,526,200
Others	46,872	49,572	46,872	49,572
Management fee receivable from subsidiary companies (Note 28)	-	-	3,492,000	3,492,000
	102,587,590	79,446,068	7,137,402	7,085,772

6. COST OF SALES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cost of cables and accessories	61,229,728	35,380,734	-	-
Purchase of oil based industrial materials	20,522,685	28,741,186	-	-
Cost of property maintenance and management	-	-	3,411,083	3,138,465
	81,752,413	64,121,920	3,411,083	3,138,465

7. PROFIT BEFORE TAX

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Employee benefits expense (Note 8)	7,913,116	5,932,009	10,808	10,034
Loss/(Gain) on foreign exchange:				
Realised	5,856,591	(507,136)	-	-
Unrealised	(278,662)	999,046	-	-
Depreciation of property, plant and equipment (Note 11)	2,603,124	2,639,237	270,176	278,640
Directors' remuneration:				
Salaries and other emoluments	645,126	642,629	60,750	61,750
Fees	326,200	324,630	180,000	180,000
Auditors' remuneration:				
Statutory	130,000	103,000	48,000	45,000
Non statutory	27,500	28,000	27,500	28,000
Net fair value loss on financial liabilities at FVTPL	99,003	-	-	-
Finance costs:				
Interest expense on bank borrowings	68,633	43,617	-	-
Rental payable to related parties (Note 28):				
Motor vehicles	54,000	54,000	-	-
Office	36,000	33,000	36,000	33,000
Property, plant and equipment written off	45,400	186,036	2,300	-
Inventories written down to net realisable value	38,253	32,819	-	-
Reversal of contingent consideration (Note 14)	(4,528,384)	-	-	-
Interest income from:				
Deposits with licensed banks	(1,330,895)	(1,275,731)	(342,808)	(429,519)
Amount owing by associated companies (Note 28)	(133,310)	(33,113)	-	-
Others	-	(29,704)	-	-
	(1,464,205)	(1,338,548)	(342,808)	(429,519)
(Allowance for inventories obsolescence no longer required)/Allowance for inventories obsolescence	(991,503)	22,565	-	-
Provision for liquidated damages no longer required - net (Note 27)	(98,914)	(62,736)	-	-
Gain on disposal of property, plant and equipment	(52,830)	(25,470)	-	(293)
Depreciation of investment properties (Note 12)	-	-	205,952	205,683

Notes to the Financial Statements

8. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Wages and salaries	5,234,233	4,200,832	-	-
Pension costs:				
Defined contribution plans	785,394	505,862	-	-
Social security costs	64,287	54,237	-	-
Other benefits	1,829,202	1,171,078	10,808	10,034
	7,913,116	5,932,009	10,808	10,034

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Salaries and other emoluments	1,141,005	1,414,983	60,750	61,750
Fees	326,200	324,630	180,000	180,000
	1,467,205	1,739,613	240,750	241,750

9. INCOME TAX EXPENSE

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Estimated tax payable:				
Current year	2,967,936	2,281,448	825,025	915,000
(Over)/Under provision in prior years	(92,103)	21,047	37,806	(30,985)
	2,875,833	2,302,495	862,831	884,015
Deferred tax (Note 22):				
Current year	212,537	(934,137)	(19,988)	(59,446)
Overprovision in prior year	(246,481)	(546,543)	(651,625)	-
	(33,944)	(1,480,680)	(671,613)	(59,446)
Total	2,841,889	821,815	191,218	824,569

9. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	8,296,478	4,816,707	2,928,759	3,236,334
Tax expense at statutory tax rate of 24% (2015: 25%)	1,991,155	1,204,177	702,902	809,084
Tax effects of:				
Expenses that are not deductible for income tax purposes	1,076,392	143,205	158,474	46,541
Income that are not taxable for income tax purposes	(1,292,028)	(71)	(56,339)	(71)
(Over)/Under provision in prior years:				
Current tax	(92,103)	21,047	37,806	(30,985)
Deferred tax	(246,481)	(546,543)	(651,625)	-
Deferred tax assets not recognised	1,321,989	-	-	-
Effects of changes in tax rates	82,965	-	-	-
	2,841,889	821,815	191,218	824,569

The Finance Act (No.2) 2014 gazetted on 30 December 2014 enacts the reduction of the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the expected rate.

10. 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 weighted average number of ordinary shares during the financial year.

	The Group	
	2016 RM	2015 RM
Profit for the year attributable to owners of the Company	7,424,938	4,441,856
Number of ordinary shares	161,249,937	161,249,937*
Basic EPS (sen)	4.6	2.8

* The number of ordinary shares in 2015 reflected the bonus issue of ordinary shares completed on 2 October 2014 in accordance with MFRS 133, Earnings Per Share

(b) Diluted earnings per share

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

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

78

	Long-term leasehold land RM	Buildings RM	Motor vehicles RM	Office equipment RM	Computer equipment RM	Plant and machinery RM	Renovations RM	Tools and equipment RM	Furniture, fixtures and fittings RM	Total RM
The Group										
Cost										
As of 1 April 2014	14,304,000	10,284,139	950,412	711,325	1,745,837	47,721,273	2,099,458	17,505	1,308,696	79,142,645
Additions	-	-	-	51,817	15,462	307,043	16,417	-	9,429	400,168
Disposals	-	-	(140,408)	(9,192)	-	-	-	-	-	(149,600)
Write-offs	-	-	-	(8,560)	(126,352)	(1,837,832)	(55,937)	-	(50,714)	(2,079,395)
Currency translation differences	-	-	41,044	17,780	9,143	-	-	-	-	67,967
As of 31 March 2015/ 1 April 2015	14,304,000	10,284,139	851,048	763,170	1,644,090	46,190,484	2,059,938	17,505	1,267,411	77,381,785
Additions	-	3,728,271	130,120	58,298	209,948	927,983	21,000	-	60,195	5,135,815
Disposals	-	-	(159,025)	-	-	-	-	-	-	(159,025)
Write-offs	-	-	-	(36,760)	(261,781)	(78,976)	(15,536)	-	(18,645)	(411,698)
Currency translation differences	-	-	18,600	9,516	1,272	-	-	-	-	29,388
As of 31 March 2016	14,304,000	14,012,410	840,743	794,224	1,593,529	47,039,491	2,065,402	17,505	1,308,961	81,976,265
Accumulated Depreciation										
As of 1 April 2014	670,601	3,451,259	861,221	496,129	1,646,249	30,718,929	2,058,674	12,536	901,048	40,816,646
Depreciation charge for the year	223,572	205,683	35,076	52,573	60,200	1,982,695	21,914	1,340	56,184	2,639,237
Disposals	-	-	(86,588)	(9,191)	-	-	-	-	-	(95,779)
Write-offs	-	-	-	(7,631)	(125,822)	(1,670,767)	(55,937)	-	(33,202)	(1,893,359)
Currency translation differences	-	-	41,045	11,489	7,080	-	-	-	-	59,614
As of 31 March 2015/ 1 April 2015	894,173	3,656,942	850,754	543,369	1,587,707	31,030,857	2,024,651	13,876	924,030	41,526,359
Depreciation charge for the year	223,571	205,952	6,795	49,902	54,421	1,992,321	23,410	1,341	45,411	2,603,124
Disposals	-	-	(159,025)	-	-	-	-	-	-	(159,025)
Write-offs	-	-	-	(34,441)	(258,151)	(43,375)	(15,536)	-	(14,795)	(366,298)
Currency translation differences	-	-	18,600	5,052	2,944	-	-	-	-	26,596
As of 31 March 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
Net Book Value										
As of 31 March 2015	13,409,827	6,627,197	294	219,801	56,383	15,159,627	35,287	3,629	343,381	35,855,426
As of 31 March 2016	13,186,256	10,149,516	123,619	230,342	206,608	14,059,688	32,877	2,288	354,315	38,345,509

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

	Long-term leasehold land RM	Office equipment RM	Computer equipment RM	Renovations RM	Tools and equipment RM	Furniture, fixtures and fittings RM	Total RM
The Company							
Cost							
As of 1 April 2014	14,304,000	357,450	651,109	442,177	17,505	579,624	16,351,865
Additions	-	1,200	1,886	8,400	-	9,429	20,865
Write-offs	-	(9,192)	-	-	-	-	(9,192)
As of 31 March 2015/1 April 2015	14,304,000	349,458	652,945	450,577	17,505	589,053	16,363,538
Additions	-	9,500	66,376	-	-	-	75,876
Write-offs	-	(21,072)	(135,802)	-	-	(3,257)	(160,131)
As of 31 March 2016	14,304,000	337,886	583,519	450,577	17,505	585,796	16,279,283
Accumulated Depreciation							
As of 1 April 2014	670,601	285,499	641,300	436,011	12,536	518,589	2,564,536
Depreciation charge for the year	223,572	20,647	6,752	4,640	1,340	21,689	278,640
Write-offs	-	(9,191)	-	-	-	-	(9,191)
As of 31 March 2015/1 April 2015	894,173	296,955	648,052	440,651	13,876	540,278	2,833,985
Depreciation charge for the year	223,571	15,027	9,867	4,038	1,341	16,332	270,176
Write-offs	-	(18,814)	(135,761)	-	-	(3,256)	(157,831)
As of 31 March 2016	1,117,744	293,168	522,158	444,689	15,217	553,354	2,946,330
Net Book Value							
As of 31 March 2015	13,409,827	52,503	4,893	9,926	3,629	48,775	13,529,553
As of 31 March 2016	13,186,256	44,718	61,361	5,888	2,288	32,442	13,332,953

Notes to the Financial Statements

12. INVESTMENT PROPERTIES

The Company	Buildings RM	Construction in progress RM	Total RM
2016			
Cost			
At 1 April 2015	10,284,139	–	10,284,139
Additions	40,500	3,687,771	3,728,271
At 31 March 2016	10,324,639	3,687,771	14,012,410
Accumulated Depreciation			
At 1 April 2015	3,656,942	–	3,656,942
Depreciation charge for the year	205,952	–	205,952
At 31 March 2016	3,862,894	–	3,862,894
Net Book Value			
At 31 March 2016	6,461,745	3,687,771	10,149,516
2015			
Cost			
At 1 April 2014	10,284,139	–	10,284,139
Addition	–	–	–
At 31 March 2015	10,284,139	–	10,284,139
Accumulated Depreciation			
At 1 April 2014	3,451,259	–	3,451,259
Depreciation charge for the year	205,683	–	205,683
At 31 March 2015	3,656,942	–	3,656,942
Net Book Value			
At 31 March 2015	6,627,197	–	6,627,197

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

Rental income earned by the Company from investment properties of which are leased out under operating leases, amounted to RM3,645,402 (2015: RM3,593,772). Direct operating expenses incurred in respect of the investment properties during the financial year amounted to RM307,512 (2015: RM330,253).

12. INVESTMENT PROPERTIES (CONT'D)

Fair value of the investment properties of the Company as at 31 March 2016 are estimated at RM17,130,000 (2015: RM17,130,000) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity. The fair value of investment properties under construction is unable to be determined as there are uncertainties in estimating its fair value.

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 feet basis. Any changes in the price per square feet 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 RM10,149,516 (2015: RM6,627,197), which are occupied by its subsidiary companies, have been reclassified as property, plant and equipment of the Group.

13. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2016 RM	2015 RM
Unquoted shares, at cost	13,700,004	13,700,002

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

Name of subsidiary	Principal activity	Proportion of ownership interest and voting power		Place of incorporation
		2016 %	2015 %	
Opcom Cables Sdn. Bhd. ("OCSB")	Manufacture of fiber optic cables, systems accessories and provision of engineering services	70	70	Malaysia
Unigel Compounds Sdn. Bhd. (formerly known as Opcom Niaga Sdn. Bhd.) ("UCSB")	General trading of fiber, oil based industrial materials and other cable production materials	100	100	Malaysia
Opcom Shared Services Sdn. Bhd.	Provision of human resource management services	100	100	Malaysia
Opcom Trading Sdn. Bhd.	Dormant	100	-	Malaysia

Notes to the Financial Statements

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiary companies	
		2016	2015
General trading of fiber, oil based industrial materials and other cable production materials	Malaysia	1	1
Provision of human resource management services	Malaysia	1	1
Dormant company	Malaysia	1	-
		3	2

Principal activity	Place of incorporation and operation	Number of non-wholly-owned subsidiary companies	
		2016	2015
Manufacture of fiber optic cables, systems and accessories and provision of engineering services	Malaysia	1	1

Non-controlling interest in a subsidiary company

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

	2016 RM	2015 RM
OCSB		
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	12,943,777	14,914,126
Loss allocated to NCI	(1,970,349)	(446,964)

	2016 RM	2015 RM
Summarised financial information before intra-group elimination		
As of 31 March		
Non-current assets	15,203,254	16,513,118
Current assets	51,085,470	60,520,664
Current liabilities	(23,142,801)	(27,320,030)
Net assets	43,145,923	49,713,752

13. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	2016	2015
	RM	RM
Year ended 31 March		
Revenue	81,823,095	50,064,598
Total comprehensive loss for the year	(6,567,829)	(1,489,881)
Cash flows (used in)/from operating activities	(3,962,008)	6,520,531
Cash flows (used in)/from investing activities	(410,648)	535,851
Cash flows used in financing activity	(5,514,000)	(3,000,000)
Net (decrease)/increase in cash and cash equivalents	(9,886,656)	4,056,382
Dividends paid to NCI	-	-

14. INVESTMENT IN ASSOCIATED COMPANIES

	The Group	
	2016	2015
	RM	RM
Cost:		
At beginning of year	14,951,624	-
Acquisition during the year	-	13,046,132
Refund of excess payment made upon acquisition	(367,002)	-
Currency translation differences	917,682	1,749,871
Share of post-acquisition reserves	871,454	155,621
At end of year	16,373,758	14,951,624
Less: Accumulated impairment losses	(3,202,214)	-
Net	13,171,544	14,951,624

- (a) On 5 November 2014, the Group completed the acquisition of Unigel (UK) Limited, a company incorporated in the United Kingdom and its subsidiary company, Unigel Incorporated, a company incorporated in the United States of America, for a total consideration of USD3,675,388 (equivalent to RM12,001,980*).

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

Notes to the Financial Statements

14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

	Consideration payable USD	Equivalent in 2015* RM	Equivalent in 2016** RM
Second tranche: Subject to meeting the first measurement target, after the first measurement period	520,000	1,698,060	2,102,464
Final tranche: Subject to meeting the second measurement target, after the second measurement period	600,000	1,959,300	2,425,920
	1,120,000	3,657,360	4,528,384

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

** exchange rate used at the date of measurement period as of 5 November 2015 was USD1 equivalent to RM4.0432.

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

In line with the requirement of MFRS 3 *Business Combinations*, the Group has considered its right to the shortfall under the arrangement if the measurement targets are not achieved. During the financial year, the Group has reversed the contingent consideration totalling RM4,528,384 (equivalent to USD1,120,000 as of the date of measurement period), as the first measurement target for Unigel (UK) Limited and its subsidiary company, was not met. The directors also considered it probable that the second measurement target may also not be achievable, in view of the less conducive economic and business conditions in general. During the period under review, selling prices of goods, which were primarily determined by crude oil prices suffered from a collapse in crude oil prices, also contributed to the substantial decrease in revenue and operating margins of Unigel (UK) Limited and its subsidiary company.

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

Name of associated companies	Place of incorporation	Proportion of ownership interest and voting power		Principal activity
		2016 %	2015 %	
Direct				
Unigel IP Limited	Hong Kong	40	40	Provision of licensing services for intellectual property rights
Unigel (UK) Limited	United Kingdom	40	40	Trading of thixotropic gel
Indirect				
Unigel Incorporated ⁽ⁱ⁾	United States of America	40	40	Manufacturing of thixotropic gel

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

14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

- (c) Pursuant to the Shareholder Agreement, the Group has the right to cast 40% of the votes at shareholder meetings of the associated companies.
- (d) 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 2015 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2016.
- (e) Summarised financial information in respect of each of the associated companies are set out below:

	2016 RM	2015 RM
Current assets	21,176,514	22,081,069
Non-current assets	7,158,387	7,202,911
Current liabilities	(19,354,931)	(22,437,829)
Non-current liabilities	(883,021)	(927,838)
Net Assets	8,096,949	5,918,313
Share of net assets of associated companies	3,238,780	2,367,325

	2016 RM	2015 RM
Revenue	65,831,229	20,814,097
Profit for the year	2,178,635	389,052

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

	2016 RM	2015 RM
Goodwill	9,932,764	12,584,299
Share of net assets of associated companies	3,238,780	2,367,325
	13,171,544	14,951,624

- (g) During the financial year, Unigel (UK) Limited and its subsidiary company ("UUK") were unable to meet the first measurement target at the date of measurement period. Accordingly, an impairment assessment has been performed to determine the recoverable amount of the cost of investment in UUK.

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 required the use of estimates and judgements.

Notes to the Financial Statements

14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

The recoverable amount of UUK 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 flow that arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flow covering a five year period, based on management's past experience and future expectations. For the free cash flows extending beyond the detailed planning period, a terminal value was computed. The growth rates applied are those customarily for the country or market.

The key assumptions underlying the calculations are as follows:

- (a) Terminal value growth rate of 3.39% per annum; and
- (b) Discount rate of 14.00%

Based on the impairment assessment performed, the Group recorded an impairment loss on the total cost of investment in UUK amounting to RM3,202,214 (2015: RM Nil).

15. INVENTORIES

	The Group	
	2016 RM	2015 RM
Raw materials	3,921,174	4,267,662
Work-in-progress	498,884	475,584
Finished goods	3,521,527	4,359,380
	7,941,585	9,102,626

Recognised in profit or loss:

	The Group	
	2016 RM	2015 RM
Cost of inventories recognised as expenses in cost of sales (Allowance for inventories obsolescence no longer required)/	55,369,081	25,289,917
Allowance for inventories obsolescence	(991,503)	22,565
Inventories written down to net realisable value	38,253	32,819

16. TRADE RECEIVABLES

	The Group	
	2016	2015
	RM	RM
Neither past due nor impaired	10,051,301	10,675,822
Past due but not impaired	489,947	834,297
	10,541,248	11,510,119

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 (2015: 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 has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

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

Ageing of past due but not impaired

	The Group	
	2016	2015
	RM	RM
30 days to 60 days	328,240	64,640
60 days to 90 days	95,930	95,547
90 days to 120 days	65,777	22,328
>120 days	-	651,782
	489,947	834,297

The currency profile of trade receivables is as follows:

	The Group	
	2016	2015
	RM	RM
United States Dollar	100,216	651,782
Ringgit Malaysia	10,441,032	10,858,337
	10,541,248	11,510,119

Notes to the Financial Statements

17. OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other receivables	738,692	181,428	155,082	79,656
Deposits	142,769	124,947	120,259	120,259
Prepaid expenses	598,073	470,776	88,014	49,246
	1,479,534	777,151	363,355	249,161

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	26,957,629	3,956,842	5,690,186	553,047
Deposits with licensed banks	13,200,000	45,500,000	4,000,000	11,800,000
	40,157,629	49,456,842	9,690,186	12,353,047

The effective interest rates of deposits with licensed banks of the Company at the end of the reporting period range from 3.30% to 3.65% (2015: 3.20% to 3.70%) per annum.

The average maturities of deposits with licensed banks of the Company at the end of the reporting period is 1 month (2015: 3 months).

The deposits of the Company bear interest at rates ranging from 3.05% to 3.50% (2015: 3.05% to 3.50%) per annum and have maturity periods ranging from 1 day to 365 days (2015: 1 day to 365 days).

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

	The Group	
	2016 RM	2015 RM
Ringgit Malaysia	24,308,084	48,413,752
United States Dollar	15,787,601	957,014
Sterling Pound	32,903	54,381
Japanese Yen	27,967	24,311
Euro	923	7,229
Swiss Franc	151	155
	40,157,629	49,456,842

19. SHARE CAPITAL

	The Group and the Company			
	2016	2015	2016	2015
	No. of Shares		RM	RM
Authorised:				
Ordinary shares of RMO.20 each	250,000,000	250,000,000	50,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of RMO.20 each				
At beginning of year	161,249,937	129,000,000	32,249,987	25,800,000
Issued during the year	-	32,249,937	-	6,449,987
At end of year	161,249,937	161,249,937	32,249,987	32,249,987

20. DIVIDENDS

	The Group and the Company	
	2016	2015
	RM	RM
In respect of financial year ended 31 March 2016: Interim dividend of 1.50 sen per ordinary share under single-tier tax system	2,418,751	-
In respect of financial year ended 31 March 2015: Interim dividend of 1.25 sen per ordinary share under single-tier tax system	-	1,612,500
	2,418,751	1,612,500

21. RESERVES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Non-distributable:				
Translation reserve	1,462,249	1,832,843	-	-
Capital reserve	3,283	3,283	-	-
Distributable:				
Retained earnings	48,152,252	43,146,065	12,274,107	11,955,317
	49,617,784	44,982,191	12,274,107	11,955,317

Notes to the Financial Statements

21. RESERVES (CONT'D)

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.

22. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	Opening balance RM	Recognised in profit or loss (Note 9) RM	Translation differences RM	Closing balance RM
2016				
Deferred tax assets				
Provision for liquidated damages	49,487	(26,551)	-	22,936
Inventories	178,029	(143,400)	-	34,629
Unabsorbed tax losses	1,217,983	-	-	1,217,983
Unabsorbed capital allowances	1,034,762	130,407	-	1,165,169
Unutilised reinvestment allowances	604,660	-	-	604,660
Others	261,672	(255,264)	-	6,408
	3,346,593	(294,808)	-	3,051,785
Deferred tax liabilities				
Property, plant and equipment	(4,902,947)	720,453	8,077	(4,174,417)
Others	-	(391,701)	267	(391,434)
	(4,902,947)	328,752	8,344	(4,565,851)
	(1,556,354)	33,944	8,344	(1,514,066)

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

The Group	Opening balance RM	Recognised in profit or loss (Note 9) RM	Closing balance RM
2015			
Deferred tax assets			
Provision for liquidated damages	65,171	(15,684)	49,487
Inventories	172,388	5,641	178,029
Unabsorbed tax losses	1,144,996	72,987	1,217,983
Unabsorbed capital allowances	26,754	1,008,008	1,034,762
Unutilised reinvestment allowances	-	604,660	604,660
Others	127,718	133,954	261,672
	1,537,027	1,809,566	3,346,593
Deferred tax liabilities			
Property, plant and equipment	(4,488,227)	(414,720)	(4,902,947)
Others	(85,834)	85,834	-
	(4,574,061)	(328,886)	(4,902,947)
	(3,037,034)	1,480,680	(1,556,354)
<hr/>			
The Company	Opening balance RM	Recognised in profit or loss (Note 9) RM	Closing balance RM
2016			
Deferred tax liabilities			
Property, plant and equipment	(2,183,379)	671,613	(1,511,766)
<hr/>			
2015			
Deferred tax liabilities			
Property, plant and equipment	(2,242,825)	59,446	(2,183,379)
<hr/>			

Notes to the Financial Statements

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

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Deferred tax assets	6,408	390,723	-	-
Deferred tax liabilities	(1,520,474)	(1,947,077)	(1,511,766)	(2,183,379)
	(1,514,066)	(1,556,354)	(1,511,766)	(2,183,379)

As of 31 March 2016, the details of the unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowances, which are not recognised in the financial statements due to uncertainty of its realisation is as follows:

	The Group	
	2016 RM	2015 RM
Unabsorbed tax losses	2,435,928	-
Unabsorbed capital allowances	1,945,458	-
Unutilised reinvestment allowances	1,126,902	-
	5,508,288	-

The unabsorbed tax losses, unabsorbed capital allowances and unutilised reinvestment 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.

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2015: 30 to 90 days).

The currency profile of trade payables is as follows:

	The Group	
	2016 RM	2015 RM
United States Dollar	4,243,474	10,028,944
Ringgit Malaysia	695,918	1,613,574
Singapore Dollar	-	13,946
	4,939,392	11,656,464

24. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other payables	3,564,741	1,350,917	519,354	347,351
Accrued expenses	1,381,048	738,625	441,282	258,917
Contingent consideration payable of USD1,120,000 in respect of investment in associated companies [Note 14(a)]	-	4,147,920*	-	-
	4,945,789	6,237,462	960,636	606,268

* exchange rate used at the end of reporting period as of 31 March 2015 was USD1 equivalent to RM3.7035.

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
United States Dollar	144,583	4,157,170	-	-
Singapore Dollar	20,059	-	-	-
Euro	465,042	-	-	-
Ringgit Malaysia	4,316,105	2,080,292	960,636	606,268
	4,945,789	6,237,462	960,636	606,268

25. BANK BORROWINGS (UNSECURED)

	The Group	
	2016 RM	2015 RM
Current – at amortised cost		
Unsecured:		
Foreign currency trade facilities	3,287,181	6,670,926

As of the end of the reporting period, the Group has obtained foreign currency trade and other credit facilities amounting to RM13,000,000 (2015: RM13,000,000) from a local bank. These facilities are covered by a corporate guarantee from the Company and the average effective interest rate is 2.67% (2015: 1.84%) per annum. The bank borrowings are denominated in United States Dollar.

Notes to the Financial Statements

26. DERIVATIVE FINANCIAL LIABILITIES

	The Group	
	2016 RM	2015 RM
Financial liabilities at fair value through profit or loss:		
Current:		
Foreign currency forward contracts	99,003	–

27. PROVISION FOR LIQUIDATED DAMAGES

	The Group	
	2016 RM	2015 RM
At beginning of year	197,947	260,683
Provision during the year (Note 7)	497,529	215,255
Reversal during the year (Note 7)	(596,443)	(277,991)
Utilised during the year	(3,465)	–
At end of year	95,568	197,947

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

28. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

	The Group	
	2016	2015
	RM	RM
Dividend payable	9,901,200	15,415,200
Trade in nature	14,047	35,193
	9,915,247	15,450,393

Amount owing by associated companies, which is denominated in United States Dollar, arose mainly from trade transactions, is unsecured, bears interest at 4.50% (2015: 4.50%) per annum 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

Notes to the Financial Statements

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

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Corporate shareholder of a subsidiary company:				
Trade purchases	-	(13,333)	-	-
Associated companies				
Trade sales	20,563,613	11,411,280	-	-
Interest income (Note 7)	133,310	33,113	-	-
Purchase of cable production materials	(1,336,976)	(227,867)	-	-
Related parties:				
Rental income (Note 5)	20,700	18,000	20,700	18,000
Purchase of accessories	(5,836,490)	(3,345,705)	-	-
Business development commission payable	(2,841,755)	(729,945)	-	-
Accounting expenses payable	(141,520)	(217,576)	(72,600)	(114,000)
Corporate services expenses payable	(108,000)	(96,000)	(108,000)	(96,000)
Rental payables (Note 7):				
Motor vehicles	(54,000)	(54,000)	-	-
Office	(36,000)	(33,000)	(36,000)	(33,000)
Subsidiary companies:				
Rental income (Note 5)	-	-	3,577,830	3,526,200
Management fee (Note 5)	-	-	3,492,000	3,492,000
Administrative expenses payable	-	-	(2,880,000)	(2,580,000)

29. OPERATING SEGMENTS

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

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

29. OPERATING SEGMENTS (CONT'D)

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

2016	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
Segment revenue:				
Revenue from external customers	80,692,190	21,827,828	67,572	102,587,590
Segment profit:				
Operating profit/(loss) for reportable segments	8,271,454	1,831,702	(4,073,704)	6,029,452
Interest income				1,464,205
Finance costs				(68,633)
Share of results of associated companies				871,454
Profit before tax				8,296,478
Segment assets				
Total segment assets				120,983,257
Unallocated				333,762
Consolidated total assets				121,317,019
Segment liabilities				
Total segment liabilities				24,575,047
Unallocated				1,930,424
Consolidated total liabilities				26,505,471
Other segment information				
Impairment loss on investment in associated companies	-	3,202,214	-	3,202,214
Depreciation of property, plant and equipment	2,100,424	26,572	476,128	2,603,124
Provision for liquidated damages no longer required - net	(98,914)	-	-	(98,914)
Capital expenditure:				
Property, plant and equipment	1,276,611	55,057	3,804,147	5,135,815

Notes to the Financial Statements

29. OPERATING SEGMENTS (CONT'D)

2015	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
Segment revenue:				
Revenue from external customers	50,064,598	29,313,898	67,572	79,446,068
Segment profit:				
Operating profit/(loss) for reportable segments	6,635,369	420,334	(3,689,548)	3,366,155
Interest income				1,338,548
Finance costs				(43,617)
Share of results of associated companies				155,621
Profit before tax				4,816,707
Segment assets				
Total segment assets				133,453,877
Unallocated				1,586,791
Consolidated total assets				135,040,668
Segment liabilities				
Total segment liabilities				40,216,872
Unallocated				2,677,492
Consolidated total liabilities				42,894,364
Other segment information				
Depreciation of property, plant and equipment	2,136,134	18,780	484,323	2,639,237
Provision for liquidated damages no longer required - net	(62,736)	-	-	(62,736)
Capital expenditure:				
Property, plant and equipment	339,345	39,958	20,865	400,168
Investment in associated companies	-	9,388,772	-	9,388,772

30. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2015.

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 is not subject to any externally imposed capital requirements.

Gearing Ratio

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

	The Group	
	2016 RM	2015 RM
Debt	3,287,181	6,670,926
Equity	94,811,548	92,146,304
Debt to equity ratio	3%	7%

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial Assets				
Loans and receivables, at amortised cost:				
Trade receivables	10,541,248	11,510,119	-	-
Other receivables and deposits	881,461	306,375	275,341	199,915
Amount owing by subsidiary companies	-	-	5,650,648	4,846,123
Amount owing by associated companies	9,343,958	11,724,865	-	-
Amount owing by related party	2,250	75,224	2,250	5,327
Cash and cash equivalents	40,157,629	49,456,842	9,690,186	12,353,047

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial Liabilities				
Other financial liabilities, at amortised cost:				
Trade payables	4,939,392	11,656,464	-	-
Other payables and accrued expenses	4,945,789	2,089,542	960,636	606,268
Amount owing to subsidiary companies	-	-	5,650,616	4,010,884
Amount owing to corporate shareholder of a subsidiary company	9,915,247	15,450,393	-	-
Amount owing to related parties	1,292,867	3,680	1,575	1,575
Bank borrowings	3,287,181	6,670,926	-	-
FVTPL:				
Derivative financial liabilities	99,003	-	-	-
Contingent consideration payable in respect of investment in associated companies	-	4,147,920	-	-

Financial risk management objectives and policies

The operations of the Group and the Company are subject to a variety of financial risks, including credit risk, interest risk, liquidity risk, 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 company.

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

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

The Group's and the Company's exposure to credit risk in relation to its trade and other receivables, should all its customers fail to perform their obligations as of 31 March 2016, is the carrying amount of these receivables as disclosed in the statements of financial position.

30. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk management

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2016 would be decrease/increase as a result of the following:

	The Group	
	2016	2015
	RM	RM
Decrease/Increase in interest expense on:		
Foreign currency trade facilities	16,436	33,355

Liquidity risk management

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

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

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.

In the current year, the Group enters into foreign currency forward contracts in order to hedge its exposure to foreign exchange risks. Gain and losses on foreign currency forward contracts will be the difference between the contracted rate and forward exchange rate at the end of the reporting period applied to a contract of similar quantum and maturity profile.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk management (Cont'd)

The following table details the foreign currency ("FC") contracts outstanding at the end of the reporting period:

Outstanding contracts	Average exchange rate	Foreign currency USD	Notional value RM	Fair value loss RM
2016				
Buy USD	3.977	1,500,000	5,965,500	(99,003)

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

Fair values of the abovementioned foreign currency forward contracts (Level 2) have been determined based on discounted cash flow analysis. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting date) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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 period end for a 5% change in foreign currency rates. A positive number below indicates a gain in the profit or loss where the Ringgit Malaysia strengthens 5% against the relevant currency. For a 5% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit or loss, the balances below would be negative.

	The Group Net impact on profit or loss	
	2016 RM	2015 RM
USD/RM - Strengthened 5%	877,827	(376,169)
USD/RM - Weakened 5%	(877,827)	376,169

UCSB, one of the subsidiary companies of the Company is mainly exposed to the currency of Malaysia (RM).

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

30. FINANCIAL INSTRUMENTS (CONT'D)**Foreign currency risk management (Cont'd)**

Foreign currency sensitivity analysis (Cont'd)

	The Group	
	Net impact on profit or loss	
	2016	2015
	RM	RM
RM/USD - Strengthened 5%	258,343	(108,376)
RM/USD - Weakened 5%	(258,343)	108,376

Cash flow risk management

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

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.

31. CAPITAL COMMITMENT

	The Group	
	2016	2015
	RM	RM
Approved and contracted for:		
Purchase of property, plant and equipment	522,454	–

32. CORPORATE GUARANTEES

	The Group	
	2016	2015
	RM	RM
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary company	13,000,000	13,000,000

33. COMPARATIVE FIGURES

Certain comparative figures of the Group in 2015 have been reclassified to conform with the current year's presentation, as follows:

	As previously presented	Reclassifications	As currently presented
	RM	RM	RM
Statements of profit or loss and other comprehensive income			
Cost of sales	(65,812,029)	1,690,109	(64,121,920)
Administrative expenses	(6,362,990)	(1,690,109)	(8,053,099)

Notes to the Financial Statements

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

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

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

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

	The Group	
	2016	2015
	RM	RM
Total retained earnings of the Company and its subsidiary companies		
Realised	57,437,230	55,027,974
Unrealised	(1,511,766)	(1,376,825)
	55,925,464	53,651,149
Total share of retained earnings from associated companies		
Realised	1,027,075	155,621
Unrealised	-	-
	1,027,075	155,621
Less: Consolidation adjustments	(8,800,287)	(10,660,705)
Total retained earnings as per statements of financial position	48,152,252	43,146,065

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

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

Statement by Directors

The Directors of **OPCOM HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 March 2016 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

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

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

TAN SRI MOKHZANI MAHATHIR

CHHOA KWANG HUA

Petaling Jaya,
23 June 2016



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 of the Group and of the Company are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the requirements of the Statutory Declarations Act, 1960.

CHHOA KWANG HUA

Subscribed and solemnly declared by the above named **CHHOA KWANG HUA** at **PETALING JAYA** this 23rd day of June 2016.

Before me,

NG SAY HUNG

No.: B185

Commissioner for Oaths

Petaling Jaya, Selangor Darul Ehsan

List of Property

Location & Description	Existing Use	Tenure	Date of Valuation	Built Up Area	Age of Property	Net Book Value (RM'000)
HSD238315 PT 787 Seksyen 15 Tapak Perusahaan Shah Alam, City of Shah Alam 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.	<ul style="list-style-type: none"> – 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: 15.04.2011	Land area: 29,270 sq. m. Built-up area: 10,832 sq. m.	Age of manufacturing blocks: approximately 20 years and less Age of other building/ structures: Not more than 30 years	23,336

Analysis of Shareholdings

AS AT 24 JUNE 2016

Class of shares : Ordinary shares of RM0.20 each
 Voting rights : One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
Less than 100	210	8.55	8,132	0.01
100 - 1,000	218	8.88	113,996	0.07
1,001 - 10,000	1,247	50.77	6,606,574	4.10
10,001 - 100,000	691	28.14	20,051,385	12.43
100,001 to less than 5% of issued shares	85	3.46	32,584,925	20.21
5% and above of issued shares	5	0.20	101,884,925	63.18
	2,456	100.00	161,249,937	100.00

THIRTY LARGEST SHAREHOLDERS

Rank	Name	No. of Shares Held	% of Issued Share Capital
1	EB Nominees (Tempatan) Sendirian Berhad – Pledged Securities Account for Dato' Seri Mukhriz Mahathir (KLM)	29,137,500	18.07
2	Rezeki Tegus Sdn. Bhd.	21,296,000	13.21
3	SJ Sec Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account - Al Rajhi Bank for M Ocean Capital Sdn. Bhd.	20,000,000	12.40
4	KAF Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Dato' Seri Mukhriz Mahathir	17,750,000	11.01
5	M Ocean Capital Sdn. Bhd.	13,701,425	8.50
6	Chan Ee Lin	5,578,875	3.46
7	Md. Shah Bin Abu Hasan	1,925,300	1.19
8	Amanahraya Trustees Berhad - MIDF Amanah Strategic Fund	1,712,100	1.06
9	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (NULF 1)	1,486,500	0.92
10	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Takaful Berhad (Credit Takaful PIA)	1,350,000	0.84
11	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Takaful Berhad (Mekar)	1,250,000	0.78
12	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (LBF)	1,013,400	0.63
13	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Takaful Berhad (Majmuk)	800,000	0.50
14	Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	715,625	0.44
15	Abdul Jabbar Bin Abdul Majid	625,000	0.39
16	Md. Shah Bin Abu Hasan	613,100	0.38

Rank	Name	No. of Shares Held	% of Issued Share Capital
17	Teh Poh Hong	611,900	0.38
18	Citigroup Nominees (Tempatan) Sdn. Bhd. – Pledged Securities for Lim Chai Beng	530,000	0.33
19	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Takaful Berhad (Operator)	500,000	0.31
20	HLIB Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Tan Eng Hoo	458,925	0.28
21	Tan Chee Siang	411,700	0.26
22	Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB Bank for Chia Ai Seng	400,000	0.25
23	Maybank Nominees (Tempatan) Sendirian Berhad – Pledged Securities Account for Mahli B. Othman	391,825	0.24
24	DB (Malaysia) Nominee (Asing) Sdn. Bhd. – Exempt An for the Bank of New York Mellon SA/NV (Charles Stanley)	390,000	0.24
25	Maybank Securities Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Muhd Adam Low Bin Abdullah	388,800	0.24
26	Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB for Mohamed Rashdan Bin Baba	375,000	0.23
27	Chang Lee Ming	350,000	0.22
28	Chua Gaik Suwan	347,500	0.21
29	Chee Tan Boon Keng	337,000	0.21
30	Lim Kooi Fui	330,000	0.20
	Total	124,777,475	78.05

Analysis of Shareholdings

SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Dato' Seri Mukhriz Mahathir	46,887,500	29.08	-	-
Rezeki Tegas Sdn. Bhd.	21,296,000	13.21	-	-
Ailida Binti Baharum	-	-	21,296,000*	13.21
M Ocean Capital Sdn. Bhd.	33,701,425	20.90	-	-
Tok Puan Norzieta Zakaria	-	-	33,701,425*	20.90

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

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

Name	No. of Shares Held			
	Direct	%	Indirect	%
Chhoa Kwang Hua	40,000	0.02	-	-
Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said	715,625	0.44	-	-
Abdul Jabbar Bin Abdul Majid	625,000	0.39	-	-
Sven Janne Sjöden	120,000	0.07	-	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held at Banyan and Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 8 September 2016 at 9.30 a.m. to transact the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 and the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees for the financial year ended 31 March 2016. **Ordinary Resolution 1**
3. To re-elect Mr. Chhoa Kwang Hua who retires pursuant to Article 127 of the Company's Articles of Association. **Ordinary Resolution 2**
4. To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-
 - "**THAT** Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting." **Ordinary Resolution 3**
 - "**THAT** Encik Abdul Jabbar Bin Abdul Majid retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting." **Ordinary Resolution 4**
 - "**THAT** Mr. Sven Janne Sjöden retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting." **Ordinary Resolution 5**
5. To re-appoint Messrs Deloitte as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 6**
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** pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and subject to the passing of Resolution 3, approval be and is hereby given to Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director until the conclusion of the next Annual General Meeting." **Ordinary Resolution 7**
 - "**THAT** pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and subject to the passing of Resolution 4, approval be and is hereby given to Encik Abdul Jabbar Bin Abdul Majid, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director until the conclusion of the next Annual General Meeting." **Ordinary Resolution 8**

Notice of Annual General Meeting

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 9

As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, 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 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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 AND BIRLA ERICSSON OPTICAL LIMITED**

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 Ericsson (Malaysia) Sdn. Bhd. Group and its associated companies and Birla Ericsson Optical Limited as detailed in Section 2.3 of the Circular to Shareholders dated 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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.”

Notice of Annual General Meeting

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 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 (UK) Limited Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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 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 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 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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.”

Notice of Annual General Meeting

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

Ordinary Resolution 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 SapuraKencana Petroleum Berhad Group and its associated companies as detailed in Section 2.3 of the Circular to Shareholders dated 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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 AIRZED BROADBAND SDN. BHD.**

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 Airzed Broadband Sdn. Bhd. as detailed in Section 2.3 of the Circular to Shareholders dated 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said related party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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.”

Notice of Annual General Meeting

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

Ordinary Resolution 15

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

“THAT pursuant to Rule 10.09 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with Perennial Renaissance Sdn. Bhd. as detailed in Section 2.3 of the Circular to Shareholders dated 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval will only continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which the Proposed Shareholders' Mandate is passed, at which time the said authority will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but will not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

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

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

THAT the estimates given on the recurrent related party transactions specified in Section 2.3 of the Circular to Shareholders dated 28 July 2016 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 ISSUE SHARES***Ordinary Resolution 16***

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

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

15. 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
28 July 2016

Notice of Annual General Meeting

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 2 September 2016 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the Member to speak at the meeting.
3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. Where a Member of the Company is an authorised nominee as defined under Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.
7. Explanatory Notes on Special Business:

Ordinary Resolutions 7 and 8

Proposed Retention of Independent Non-Executive Directors

The Proposed Ordinary Resolutions 7 and 8, if passed, will enable Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said 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 2012 ("MCCG 2012").

Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said 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 2016. The Board of Directors has considered the results of the independence assessment of Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said 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 2012, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Lt. Jen. (B) Dato' Seri Panglima Zaini Bin Hj. Mohd Said and Encik Abdul Jabbar Bin Abdul Majid should be retained as the Independent Non-Executive Directors of the Company.

Ordinary Resolutions 9 – 15**Proposed Shareholders' Mandate for Recurrent Transactions**

The proposed Ordinary Resolutions 9 - 15, 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 16**Authority to Issue Shares**

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

The proposed Ordinary Resolution 16, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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

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

Personal Data Protection Act

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 to 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)

I/We _____ NRIC/Co. No. _____
(Full Name in Block Capitals)

of _____
(Full Address)

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

_____ (Full Name & NRIC No.)

of _____
(Full Address)

or failing him/her, _____
(Full Name & NRIC No.)

of _____
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company which will be held at Banyan and Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 8 September 2016 at 9.30 a.m. and at any adjournment thereof.

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

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Ordinary Resolution 13		
Ordinary Resolution 14		
Ordinary Resolution 15		
Ordinary Resolution 16		

Dated: _____

CDS Account No: _____

Number of Shares Held: _____

Signature/Common Seal of Shareholder(s)

Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 2 September 2016 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the Member to speak at the meeting.
3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. Where a Member of the Company is an authorised nominee as defined under Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

1st fold here

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

**AFFIX
STAMP**

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