



OPCOM HOLDINGS BERHAD
199401036979 (322661-W)

ENABLING NEW POSSIBILITIES

Annual Report 2021



ENABLING NEW POSSIBILITIES

26TH

Annual General Meeting of Opcom Holdings Berhad will be conducted on a fully virtual basis through remote participation and electronic voting via online meeting platform provided by Mega Corporate Services Sdn. Bhd. on Wednesday, 29 September 2021 at 2.00 p.m.



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Vision

An affordable broadband infrastructure for all Malaysians.

Mission

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

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

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



Superior Quality

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

Community

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



Values

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

Value

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

Commitment

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

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 realize our true potential in offering our customers the best products and services at very competitive prices.

Attitude

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

Corporate Information

BOARD OF DIRECTORS

Dato' Mazlin Bin MD Junid
Chairman
Independent Non-Executive Director

Ong Soon Lim
Executive Director

Sven Janne Sjöden
Non-Independent Non-Executive Director

Chan Bee Lean (f)
Non-Independent Non-Executive Director

Magnus Kreuger
Independent Non-Executive Director

Teh Li King
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Magnus Kreuger

Members
Dato' Mazlin Bin MD Junid
Chan Bee Lean (f)

NOMINATING & REMUNERATION COMMITTEE

Chairman
Magnus Kreuger

Members
Dato' Mazlin Bin MD Junid
Sven Janne Sjöden

TENDER COMMITTEE

Chairman
Magnus Kreuger

Members
Sven Janne Sjöden
Ong Soon Lim

COMPANY SECRETARIES

Ng Heng Hooi MAICSA 7048492
SSM Practicing Certificate No. 202008002923
Wong Mee Kiat (f) MAICSA 7058813
SSM Practicing Certificate No. 202008001958

REGISTERED OFFICE

B03-B-13-1, Level 13,
Menara 3A KL Eco City,
No. 3, Jalan Bangsar
59200 Kuala Lumpur,
Malaysia
Tel : 03 2280 6388
Fax : 03 2280 6399

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 03 7890 4700
Fax : 03 7890 4670

AUDITORS

Crowe Malaysia PLT 201906000005
(LLP0018817-LCA & AF1018)
Chartered Accountants
Level 16, Tower C, Megan Avenue 2
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Tel : 03 2788 9999
Fax : 03 2788 9998

PRINCIPAL BANKER

RHB Bank Berhad
Registration No. 196501000373 (6171-M)
Level 7, Tower Three
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03 9287 8888
Fax : 03 9287 9000

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad
Stock Code: 0035

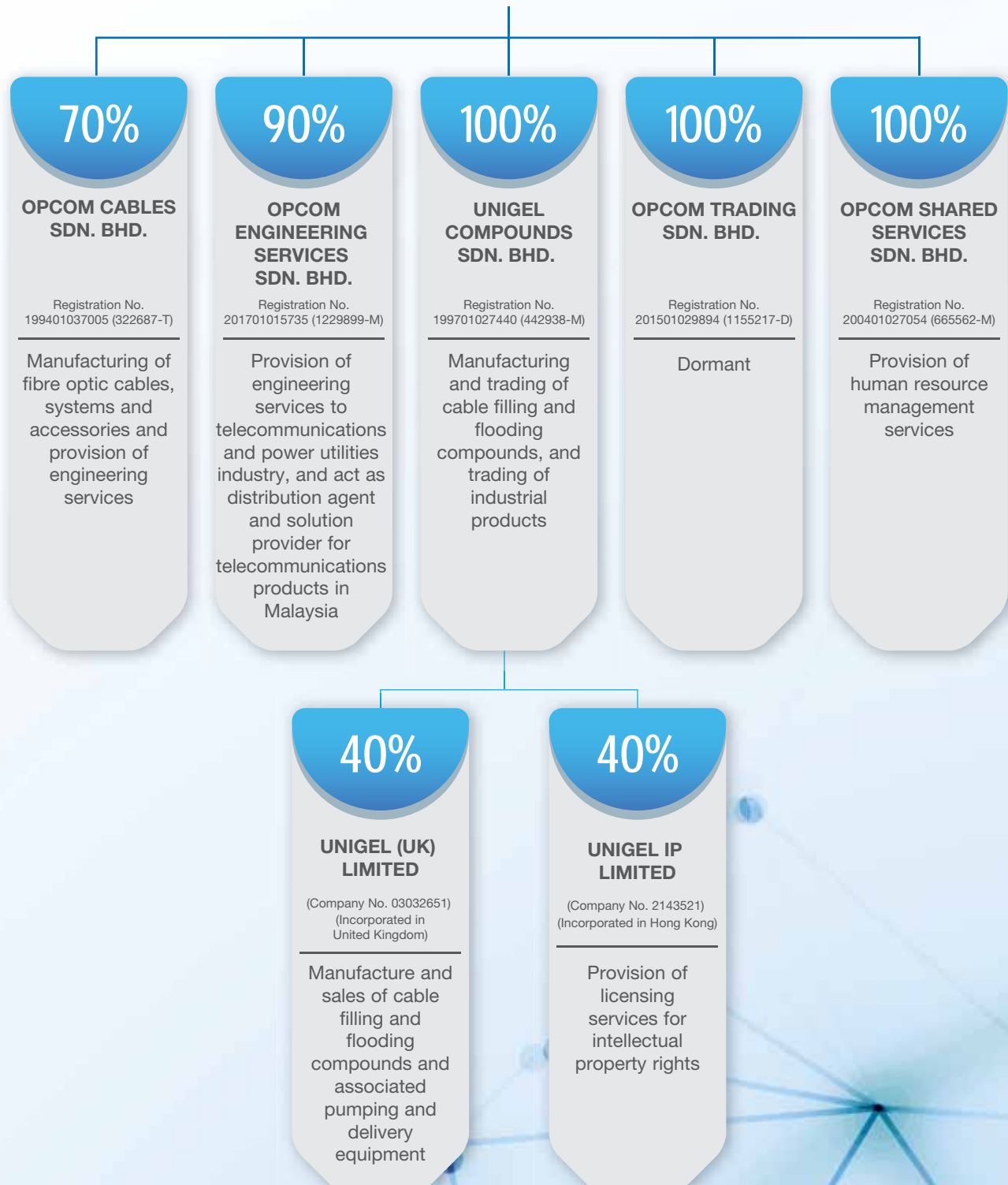
WEBSITE

www.opcom.com.my

Corporate Structure



OPCOM HOLDINGS BERHAD
Registration No. 199401036979 (322661-W)



Financial Highlights

5-year Financial Track Record

OPERATING RESULTS (RM MILLION)	2017	2018	2019	2020	2021
Revenue	93.42	103.87	74.58	44.45	66.99
Profit/(Loss) before taxation	8.11	6.18	(1.03)	(10.08)	3.39
Net profit/(loss) attributable to owners of the Company	7.20	6.68	0.45	(7.90)	2.59
KEY FINANCIAL POSITION DATA (RM MILLION)					
Property, plant and equipment	42.27	40.59	44.52	27.31 ¹	24.40
Total assets	131.88	129.33	115.86	107.51	118.19
Share capital	32.25	32.25	32.25	32.25	32.25
Shareholders' funds	88.65	88.19	88.63	82.62	83.93
SHARE INFORMATION PER SHARE (SEN)					
Basic earnings/(loss)	4.46	4.15	0.28	(4.90)	1.60
Net dividend	2.00	2.00	1.25	-	-
Net assets	54.98	54.69	54.96	51.24	52.05
FINANCIAL RATIOS (%)					
Return on total assets	5.50	4.20	(1.33)	(9.95)	2.72
Return on shareholders' equity	8.12	7.58	0.51	(9.56)	3.08

Note:

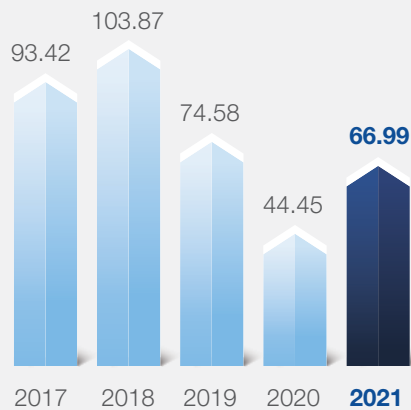
¹ Reclassification of RM12.35 million (long-term leasehold land and motor vehicle) due to adoption of MFRS16.

Financial Highlights

5-year Financial Track Record
cont'd

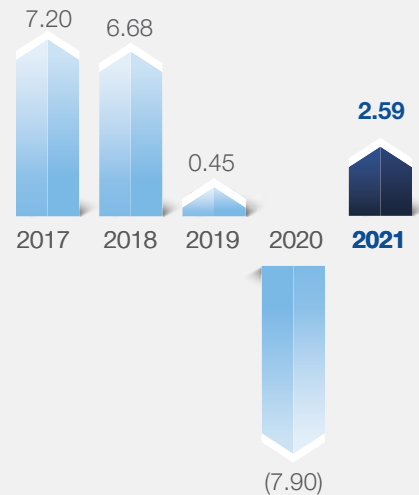
REVENUE

(RM Million)



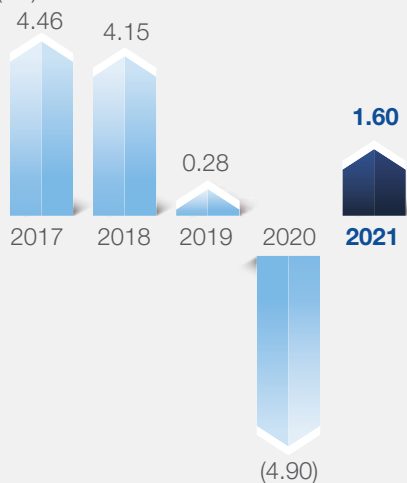
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RM Million)



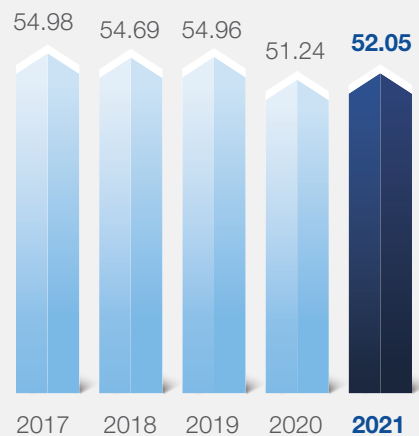
BASIC EARNINGS/(LOSS) PER SHARE

(sen)



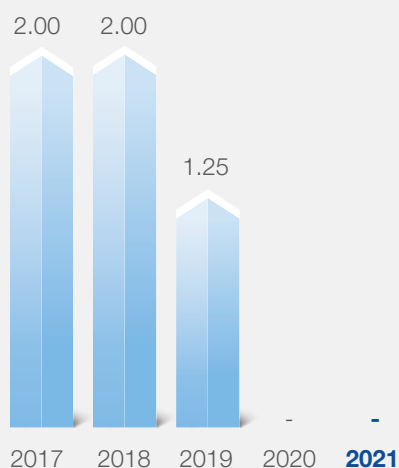
NET ASSETS PER SHARE

(sen)



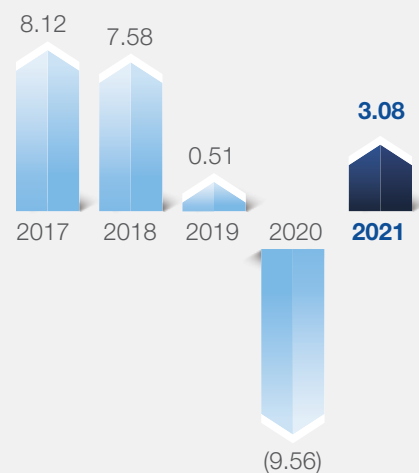
NET DIVIDEND PER SHARE

(sen)



RETURN ON SHAREHOLDERS' EQUITY

(%)



Financial Calendar

27
August
2020

Announcement of the unaudited results for the financial period ended 30/06/2020.

29
September
2020

25th Annual General Meeting.

19
November
2020

Announcement of the unaudited results for the financial period ended 30/09/2020.

Financial Calendar

cont'd



24
February
2021

Announcement of the unaudited results for the financial period ended 31/12/2020.



27
May
2021

Announcement of the unaudited results for the financial period ended 31/03/2021.

Management Discussion & Analysis

INTRODUCTION

During the financial year 2021 (“FY2021”), the domestic business environment for Opcom Holdings Berhad (“Opcom” or “Company”) and its group of companies (“Opcom Group” or “the Group”) improved considerably while the exports business volume weakened compared to previous year. Group Revenue in FY2021 was RM67.0 million compared to RM44.5 million in the previous year which is an increase of approximately 51%.

Opcom continues to diversify its business away from fibre optic cable manufacturing and moves into exports of thixotropic gel market. Local fibre optic cable sales accounted for 61% of total Group Revenue compared to about 26% from exports of thixotropic gel. We believe the fibre optic cable manufacturing segment of our businesses will further increase their contributions to Group Revenue in current year and going forward.

OUR BUSINESS ACTIVITIES

Our fibre optic cables are sold to mainly few key Telecommunications network operators for local network infrastructure and electrical utility provider. Despite prices competitions still remain challenging from foreign competitors, the fibre optic cable market in Malaysia is challenged by sudden customers demand. Shipment of fibre optic cables to customers increased significantly by two-fold compared to financial year 2020.

In our thixotropic gel manufacturing business, we are exporting gel to many countries worldwide. Our customers are mainly fibre optic cable manufacturers and at a smaller scale to post tensioning construction companies. The global fibre optic cable industry should remain strong and robust while the use of our gel in post-tensioning should gain more popularity. In March 2021, Opcom has successfully commissioned its new production lines for manufacturing of a new product, fibre reinforced plastics (FRP) for export markets. We were expecting sales of FRP to start contributing to Opcom’s revenue in the new financial year.

Our Engineering Services segment continues servicing TM as Customer Network Contractors (CNC) and Customer Broadband Contractors (CBC), while being Celcom Installation Partner and turnkey contractor of cluster program for both Central and Southern Regions and for TT Dot Com in Central Region.

Management Discussion & Analysis

cont'd

FINANCIAL PERFORMANCE

In FY2021, the Group's revenue was RM67.0 million, an increase of approximately 51% from the previous financial year due to higher shipment of fibre optic cables in the domestic market. Shipment of fibre optic cables increased by 130% in FY2021 compared to the preceding year. Engineering Services increased by 19% in comparison to financial year 2020.

Opcom Group reported a profit after tax of RM3.2 million compared to a loss after tax of RM9.9 million in the preceding year. The main reason for the improvement was due to operating profits by the fibre optic cable manufacturing business and engineering services segments. Our gel exports business was performing better as compared to the previous year, partly due to the impairment of property, plant and equipment of RM2.2 million as a result of adoption of Malaysian Financial Reporting Standards, MFRS 136 in financial year 2020.

CAPITAL EXPENDITURE

During the financial year, Opcom had added a new manufacturing capability to produce the new product, FRP, with an investment in plant and machinery of approximately RM 2.2 million.

BUSINESS RISKS

Fibre optic cable manufacturing in Malaysia depends on orders from few key domestic customers. However, initiative by government to improve coverage of broadband within the country including East Malaysia, has significantly improved the demand by the key customers which is the key broadband providers. High volume and demand translated to more order and deliveries of raw material and finished goods, thus more capex required and tighter better financial planning for the company.

The thixotropic gel is exported to many countries worldwide which naturally a hedge to generalise its business against geographical, political and government policy risks. The sales are in US dollar which is a natural hedge against our US dollar denominated raw materials. The risk we see affecting this business is in securing sizeable order volume to maintain and expand our manufacturing scale.

We recently faced new risk in our exports from high sea freight cost and low vessel space availability for shipments out of Malaysia. Sea freight has become a risk affecting our ability and competitiveness to export.

Engineering Services continue to deploy people at site during project implementation and people's safety at sites or damage to utilities planted underground are risks we face during the piping, drilling and cable installing.

OUTLOOK

The COVID-19 pandemic has adversely affected the global economies. According to the World Bank in its June 2020 article, the global economic growth in 2020 is expected to contract by 5.2%. A reflection of the recent plunge in global energy demand, low oil prices are unlikely to provide much of a boost to global growth in the near term. It is expected that policymakers' immediate priorities are to address the health crisis and moderate the short-term economic losses. The likely long-term consequences of the pandemic highlight the need to forcefully undertake comprehensive reform programs to improve the fundamental drivers of economic growth once the crisis recovers. Bank Negara Malaysia revised its domestic economic growth rate projection to between -2.5% to 0.5% in its April 2020 report.

The Group expects the current financial year to be very challenging in the domestic market sales for fibre optic cables and engineering services. We had some sizeable fibre optic cables orders in past months arising from import constraint our customers are facing due to COVID-19 pandemic. Despite some good order months, we expect the similar weak domestic demand and competitive pressure from foreign imports will continue to put a negative impact on our domestic business outlook.

Various Governments' initiatives such as JENDELA, National Fibreisation & Connectivity Plan (NFCP) and the adoption of 5G networks has expedite implementation for the expansion of the broadband coverage to the whole country. This has translated to greater opportunity for OPCOM to deliver more fibre optic cables to key customers.

Our current export business will maintain its momentum as we expect the thixotropic gel and the new FRP manufacturing businesses in global market to be healthy. We expect our export business and the business prospects of our associate companies in overseas to be good in the current year.

As in previous years, Engineering Services remains an aspect for domestic market sales growth. Opcom Engineering Services Sdn. Bhd., a 90% owned engineering services subsidiary, continues to build key competency and make progress in developing its engineering services offering to the Malaysian market.

Looking internally, Opcom Group continues to rationalise its operating cost to minimise cost impact to its cash flows and working capital.

Board of Directors



**MAGNUS
KREUGER**

*Independent
Non-Executive
Director*

**SVEN JANNE
SJÖDÉN**

*Non-Independent
Non-Executive
Director*

**ONG
SOON LIM**

*Executive
Director*

Board of Directors

cont'd



**DATO' MAZLIN BIN
MD JUNID**

*Chairman/Independent
Non-Executive
Director*



**CHAN
BEE LEAN**

*Non-Independent
Non-Executive
Director*



**TEH
LI KING**

*Non-Independent
Non-Executive
Director*

Board of Directors' Profile

DATO' MAZLIN BIN MD JUNID
Chairman/Independent Non-Executive Director
Age 59, Male Malaysian

Date Appointed to the Board:

21 July 2021

Number of Board Meetings Attended in the financial year:

-/-

Qualifications:

- Masters in Business Administration from Cranfield University, England
- Bachelor of Science Degree in Mechanical Engineering from the University of Brighton (formerly known as Brighton Polytechnic), Sussex, England

Membership of Board Committee:

- Audit Committee
- Nominating and Remuneration Committee

Skills, Experience and Expertise:

He started his career 1984 with Hicom Yamaha Manufacturing (M) Sdn. Bhd. as Assistant Manager of Operations to head the Planning, Operations and Production Control.

In 1987, he joined PA Consulting Group based in the United Kingdom as Senior Consultant & Regional Manager for the manufacturing sector. During his 4 years stint with PA Consulting Group, he was seconded to work in 13 different organisations in the area of performance improvement and profit turnaround.

In 1992, he left PA Consulting Group and joined the Sime Darby Group as Managing Director of 5 companies. He ascended to the group level of the Sime Darby Group in 1995 as Group Manager.

From 1995-1997, he was a business partner of ASPAC Executive Search Sdn. Bhd. ("**ASPAC**"), a recruitment agency in Malaysia with operations in the United Kingdom, Australia and other Asian countries through affiliate offices.

After he divested his equity stake in ASPAC, he acquired a majority interest in SECA Dyme Sdn. Bhd. ("**SECA**"), a speciality chemical trading company, supplying to downstream petrochemical industries.

In 2007, he was appointed as the Executive Vice Chairman, President & Group Chief Executive Officer of Daya Materials Berhad ("**DMB**") after DMB acquired SECA. He resigned from the Board of DMB in August 2014. He was also formerly an Independent Non-Executive Director of Sapura Industrial Berhad, Sapura Technology Berhad and Metronic Global Berhad, an Independent Non-Executive Director and Chairman of the Audit Committee of MTD Infraperdana Berhad and an Executive Director-Corporate Affairs & Development in Reach Energy Berhad.

On 20 April 2015, Dato' Mazlin was appointed as a Non-Independent and Non-Executive Director of ENRA Group Berhad. He was redesignated as President & Group Chief Executive Officer, Non-Independent Executive Director of ENRA Group Berhad on 1 June 2015.

Board of Directors' Profile

cont'd



ONG SOON LIM
Executive Director
Age 56, Male Malaysian

Date Appointed to the Board:

21 July 2021

Number of Board Meetings Attended in the financial year:

-/-

Qualifications:

- Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM)

Membership of Board Committee:

Tender Committee

Skills, Experience and Expertise:

He started his career as the factory operations management in 1986 with Hextar Chemicals Sdn. Bhd., where his last appointment was Factory Manager. He then moved on to the logistics industry where he spent 13 years managing 3rd party warehouses and providing supply chain services. He is responsible for the overall development of the group of companies and oversees the administration and operations of the group of companies.

Board of Directors' Profile

cont'd

TEH LI KING

*Non-Independent Non-Executive Director
Age 42, Male Malaysian*

Date Appointed to the Board:

24 February 2021

Number of Board Meetings Attended in the financial year:

-/-

Qualifications:

- Master of Business Administration from Charles Sturt University, Australia
 - Bachelor of Science in Business from New Hampshire College, USA
- Pre-Contract Examination for Insurance Agent Certification from The Malaysia Insurance Institute, Malaysia

Membership of Board Committee:

-

Skills, Experience and Expertise:

Mr Teh joined Hong Leong Bank as the Account Relationship Executive in 2000, managing and developing portfolio of business banking clients before joining the metal industry in 2003 dealing with both ferrous and non-ferrous materials. He subsequently moved on to the chemicals manufacturing industry and is currently the Group Chief Operating Officer of Hextar Group of Companies. His experience covers the area of management, banking and manufacturing.

Mr Teh currently also sits on the Board of SWS Capital Berhad, Complete Logistics Services Berhad and Pekat Group Berhad.

Board of Directors' Profile

cont'd

MAGNUS KREUGER
Independent Non-Executive Director
Age 65, Male Swedish National

Date Appointed to the Board:

19 October 2018

Number of Board Meetings Attended in the financial year:

12/12

Qualifications:

- Master of Business Administration in International Business Management from Uppsala University, Sweden
- Degree of Systems Design and Analysis in Data Processing and System Analysis from New York University, USA
- Bachelor of Science in Economics from Uppsala University, Sweden

Membership of Board Committee:

- Audit Committee
- Nominating & Remuneration Committee
- Tender Committee

Skills, Experience and Expertise:

He has over 30 years of financial, management and leadership experience in the global telecommunication industry.

Prior to his retirement, he was the President of Cable & Interconnect Business of Ericsson AB.

Board of Directors' Profile

cont'd

SVEN JANNE SJÖDÉN
Non-Independent Non-Executive Director
Age 76, Male Swedish National

Date Appointed to the Board:

11 November 2003

Number of Board Meetings Attended in the financial year:

12/12

Qualifications:

Bachelor of Science in Economics from Uppsala University, Sweden

Membership of Board Committee:

- Nominating & Remuneration Committee
- Tender Committee

Skills, Experience and Expertise:

He joined Ericsson Network Technologies AB, Sweden ("ENT") in 1966 and has acquired extensive experience in the production of a wide range of telecom equipment.

He held various senior positions within production both at Telefonaktiebolaget LM Ericsson, Sweden and ENT. During the period 1988 to 1992, he served as Divisional Manager within the Telecom and Power Cables Divisions as well as Vice President 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 was redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 20 August 2021.

Board of Directors' Profile

cont'd

CHAN BEE LEAN (f)
Non-Independent Non-Executive Director
Age 49, Female Malaysian

Date Appointed to the Board:

7 January 2010

Number of Board Meetings Attended in the financial year:

12/12

Qualifications:

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

Membership of Board Committee:

- Audit Committee

Skills, Experience and Expertise:

She has been in internal auditing for over twenty (20) years. She is currently the Group Internal Audit Manager of Merge Housing Sdn. Bhd. and its related companies.

She was redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 20 August 2021.

Notes:

- 1) All Directors, except for Ong Soon Lim, do not have any family relationship with any Director and/or major shareholder of the Company. Y. Bhg Dato' Ong Choo Meng, the substantial shareholder of Opcom Holdings Berhad, is the nephew of Ong Soon Lim.
- 2) All Directors have no conflict of interest with the Company and have not been convicted for any offences within the past five (5) years.
- 3) All Directors have no public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 31 March 2021.
- 4) All Directors, except for Dato' Mazlin Bin Md Junid and Teh Li King, do not have any directorship in public companies and listed issuers.

Senior Management's Profile

YUSREE PUTRA BIN ALIAS

Chief Executive Officer, Opcom Engineering Services Sdn. Bhd.

Chief Operating Officer, Opcom Cables Sdn. Bhd.

Yusree Putra Bin Alias, age 50, Male Malaysian, joined the Group in 1997. He earned a Diploma in Electrical Engineering (Electronics) from Universiti Teknologi MARA (UiTM) in 1993. He started his career in Marconi (M) Sdn. Bhd. and joined the Group in April 1997 as a Project Manager. Since 2000, he has been responsible for sales and marketing of the Group's fibre optic cable products. He was appointed as Vice President in 2010 and subsequently as Chief Operating Officer of Opcom Cables Sdn. Bhd. in 2014. In the year 2017, he was appointed as the Chief Executive Officer of Opcom Engineering Services Sdn. Bhd.

ROHIZA BINTI HUSAIN

Plant Manager, Unigel Compounds Sdn. Bhd.

Rohiza Binti Husain, age 51, Female Malaysian, joined the Group in 2011. She earned a Bachelor in Electrical Engineering from Gunma University, Japan in 1993. She has over twenty (20) years' experience in engineering where she was involved in machine maintenance, design/installation and commissioning of new machines and equipment. She is responsible for Unigel Compounds Sdn. Bhd. manufacturing activities.

CHAN AI JOO, CINDY

Group Financial Controller, Opcom Group

Chan Ai Joo, Cindy, age 44, Female Malaysian, joined the Group in 2020. She earned a Degree of Bachelor of Accounting from Universiti Malaya, Malaysia, and the Commonwealth Executive Master of Business Administration from Wawasan Open University, Malaysia. As an accountant by training, she is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a member of The Malaysian Institute of Certified Public Accountants (MICPA). She has over nineteen (19) years of working experience in accounting, finance, and taxation in various corporations in Malaysia. She is responsible for the overall Group's finance function.

Senior Management's Profile

cont'd

ONG SOON LIM

Deputy General Manager, Opcom Group

Ong Soon Lim, age 56, Male Malaysian, joined the Group on 1 March 2021. He earned a Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM). He started his career as the factory operations management in 1986 with Hextar Chemicals Sdn Bhd, where his last appointment was Factory Manager. He then moved on to the logistics industry where he spent 13 years managing 3rd party warehouses and providing supply chain services. He is responsible for the overall development of the group of companies and oversees the administration and operations of the group of companies.

HIA NGEE TENG, TERRY

Deputy General Manager, Finance & Admin, Opcom Group

Hia Ngee Teng, Terry, age 51, Male Malaysian, joined the Group on 26 December 2018. He graduated from University of Wollongong, Australia with a Bachelor of Commerce majoring in Accountancy and from University of Southern Queensland, Australia with a Graduate Diploma in Information Technology. He has worked in audit, information systems audit, general accounting, SAP implementation and support, which were gained from a Big 4 audit firm and MNCs since 1991. He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Fellow of CPA Australia.

Notes:

- 1) All senior management, except for Ong Soon Lim, do not have any family relationship with any Director and/or major shareholder of the Company. Y. Bhg Dato' Ong Choo Meng, the substantial shareholder of Opcom Holdings Berhad, is the nephew of Ong Soon Lim.
- 2) All senior management have no conflict of interest with the Company and have not been convicted for any offences within the past five (5) years.
- 3) All senior management have no public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 31 March 2021.
- 4) All senior management do not have any directorship in other public companies and listed issuers.

Sustainability Statement

OUR APPROACH

At Opcom, we believe that sustainability permeates everything we do - and it is a core value of our organisation. We believe that sustainability like long-term shareholder value enhancement must encompass all stakeholders - and such inclusivity in a caring and safe environment is pivotal for our organisation to achieve business growth and profitability over the long term.

In embracing Bursa Malaysia Securities Berhad's Sustainability Reporting Guide, the Company's holistic approach to sustainable practices provides a bedrock to include social, macroeconomic, business and environmental risks, and opportunities that are congruent with our corporate social responsibility values and governance framework. Such an approach allows us to set in motion a forward-looking continuous improvement mindset throughout our organisation.

Operating in a business environment that is technologically driven and export-oriented, our Sustainability Statement is a beacon that highlights the importance of business continuity which our portfolio of businesses demands from our organisation and its people. The Sustainability Statement helps us calibrate ourselves, provide a 360-degree analytical view of the various dimensions that our businesses operate, and prioritise our sustainability initiatives in a manner that provides the most impact to all our stakeholders.

SUSTAINABILITY GOVERNANCE

The Company's Board of Directors ("**Board**") is the custodian of sustainability governance at Opcom. Our corporate governance structure embraces and embeds sustainability in all key aspects of our business engagement including:

- Review and identification of materiality risks and opportunities that affect our sustainability governance
- Sustainability risks and opportunities are dynamic and evolving, and their relevancy to our organisation over time must be identified and managed appropriately
- Coalesce and engage stakeholders in an open and dynamic approach

Our Board believes that sustainability management should be part of our corporate culture and as we weave sustainability into our daily operational activities, everyone in the organisation shall have the opportunity to make a sustained and meaningful contribution.

MATERIAL SUSTAINABILITY MATTERS

Stakeholders

Opcom releases timely and quality information on its financial performance and position via the Bursa Quarterly Announcement. We hold an Annual General Meeting which serves as a platform of communication on business operations and outlook, financial performance, and position with the shareholders.

Our corporate website at www.opcom.com.my also provides information to stakeholders, i.e. corporate information, products, financial information, news update/circulars, and any other pertinent information are updated when available.

Being a responsible organisation, we practice strict compliance with all relevant laws and regulations to our business operations. Opcom is committed to adhering to all laws and regulations to minimise any monetary fine and non-monetary sanction by any authority.

Our organisation constantly develops/reviews the internal controls with the assistance of assurance service providers to ensure effective control is in place in this fast-paced and changing technology era.

Sustainability Statement

cont'd

Environment

Opcom has always committed to comply with the legal and regulatory requirements of the Malaysian Department of Environment (DOE) and other regulators and authorities. Emphasising the importance of environmental preservation, we have been applying 3R - Reuse, Reduce, and Recycle in our daily operations.

We have two (2) subsidiaries, Opcom Cables Sdn. Bhd. and Unigel Compounds Sdn. Bhd., are certified with ISO 14001:2015 Environmental Management System.

- **Energy Savings**

Air-conditioning and lights are switched off after office hours, our working desktops and notebooks are configured to power save mode.

We promote energy-saving activities and set key criteria for equipment selection in our plants.

- **Waste Management**

We also practice 3R on waste management. We have wastes from our Gel production plant such as oil residue, small quantities of off-specification gel and unwanted pallets, steel straps, etc.

We reduce oil residue in packaging by investing in a squeeze system that can push out most of the oil residue in packaging.

Plastic pallets are reused for the delivery of goods. Unwanted items are sold as scrap to recyclers. We practice Intermediate Bulk Container (IBC) return with selected customers to reuse IBC for the next delivery of goods.

All employees are putting efforts to reduce printing and photocopying, by using double-sided printing, using recycled papers where possible.

- **Resources Planning**

To promote effective human resources planning, the Group had made rounds of headcount rightsizing activities and shared supportive functions, namely Finance & Accounts, Management Information System (MIS) & Information Technology, Procurement, and Safety & Security.

Customer

We perform annual customer satisfaction surveys to evaluate our customers' feedback. The feedback is discussed in the yearly Management Review meeting for the countermeasure and continuous improvements.

- **Customer Satisfaction**

We practice continuous process improvement and strengthen internal process inspection to reduce customer complaints. We had ZERO substantiated customers' complain about our Cable products.

- **R&D Support**

Our full test gear lab equipment enables us to perform the complete Final Acceptance Test (FAT) and Test and Inspection (TNI) with customers at our lab and produces quality products.

Our business operations are strongly focused on technology and innovation to ensure business continuity. Our Group invests significantly to remain relevant through the development of new products as well as improving processes and procedures. We are equipped with state-of-the-art testing facilities to fulfill our customers' expectations.

We have two (2) subsidiaries, Opcom Cables Sdn. Bhd. and Unigel Compounds Sdn. Bhd. that are ISO 9001:2015 Quality Management System certified.

Sustainability Statement

cont'd

- **Participation in Trade Exhibition**

In our Gel business, we participated in exhibitions in many countries to reach out to our customers and as a measure to move forward in the industries. In the past, we participated in Wire Southeast Asia, Wire Dusseldorf, Wire and Tube China, Wire and Tube India, and PTI Convention. Nonetheless, we have deferred few targeted exhibitions following the unpredicted COVID-19 pandemic, and when resume our participation in the exhibitions upon the easing of the pandemic.

- **Project Management**

Our engineering team's main business activities are in project implementation and trading of project materials. Perfection of project documentation from the beginning up to the billing collection was the major part of the total project quality measured. We have a dedicated team to work closely with relevant authority bodies in the region together with our customers in meeting their satisfaction and expectation.

Their focus was mainly to ensure project engineering is all in order, documented, and measured.

People Retention

Opcom emphasises the following areas, which are the primary considerations of an employee for long term loyalty:

- **Workplace Quality**

We provide a safe and pleasant working environment with stringent security control and clean offices.

Our due respect towards labour and human rights of all employees with clearly defined human resources policies.

- **Training & Development**

All new recruits go through a mentor/mentee program as part of the on-the-job {OTJ} training.

We regularly nominate staff for suitable internal/external training, workshop, and motivational talk as we believe education fosters continuous improvements. Training Needs Analysis (TNA) are conducted every half-yearly along with appraisal session to ensure the relevance of the programs and suits individual requirement.

- **Rewards**

We conduct staff performance appraisals every half-yearly. We practice incentive schemes for production staff based on Key Performance Indicator (KPI) achievement. The Company also recognises long service awards annually with monetary rewards.

We ensure the remuneration package is in line with the market practice and includes all the staff welfare and benefits prescribed by the local authorities and applicable labour laws and regulations.

- **Employee Communication**

Weekly department meeting is hosted to discuss the operational issue, alongside a monthly management meeting to review and follow-up for each department achievement.

A yearly town hall meeting was organised for the Management to communicate with staff from all levels.

Sustainability Statement

cont'd

Community

We support our local communities in educational, welfare, charity, and social development.

- **Internship Program**

The Group provided internship programs to local university students.

- **Social Events**

We have been hosting the annual Hari Raya gathering for staff, customers, suppliers, etc to foster relationships. We also invited the orphanages to our Hari Raya gathering. In the calendar year 2021, we distributed goodies/food to our employees during the Hari Raya festival in observing the social distancing requirement amid the COVID-19 pandemic.

We also collaborate with our neighbouring companies for fire drill practices.

- **Responsible Engineering Team**

Our ground engineering team has strict compliance with all relevant laws and regulations as a requisite to promote an ethical and responsible society.

Their commitment to proper compliance with laws and regulations has proven to be favourable and value-enhancing for our shareholders and stakeholders, as we minimise the exposure to lawsuits.

Corporate Governance Overview Statement

The Board of Directors (“**Board**”) of Opcom Holdings Berhad and its subsidiaries (“**Opcom**” or “**Group**”) recognises the importance of good corporate governance and fully supports the principles and best practices as stipulated in the Malaysian Code of Corporate Governance (“**MCCG**”) to enhance business prosperity and maximise shareholders’ value. The Board will continuously evaluate the Group’s Corporate Governance practices and procedures and where appropriate will adopt and implement the best practices as enshrined in MCCG to the best interest of the shareholders of the Company.

Below are an overview statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year ended 31 March 2021 pursuant to Rule 15.25 of ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Board has also provided specific disclosures on the application of the practices in its Corporate Governance Report which could be obtained from the Company’s website at www.opcom.com.my. Shareholders are advised to read this overview statement together with the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Clear Roles and Responsibilities

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

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

There is a clear division of responsibilities between the Chairman and Executive Director. The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Board. The Executive Directors are responsible for the development of the corporate goals and objectives and the setting of strategies to achieve them.

The Executive Director is supported by a core team of senior management who manage the Group’s various business activities on a day-to-day basis. Upon the resignation of Chhoa Kwang Hua as the Executive Director of the Company on 6 November 2020, an Executive Committee (EXCO) was established to execute and implement the policies and strategies approved by the Board. On 21 July 2021, a new Executive Director namely Ong Soon Lim was appointed to the Board and the EXCO was subsequently disbanded.

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 continuously. Business workgroup activities are reported and measured against agreed KPIs of the Group’s yearly business plan monthly. The Group’s financial and operational performance is reviewed by the various relevant committees of the Board quarterly (or as and when required). The Board meets with the management team at least once every quarter to review the Group’s business activities, including important issues relating to business goals and objectives and internal controls.

Corporate Governance Overview Statement

cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.1 Clear Roles and Responsibilities (Cont'd)

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

The Board has formally adopted a Board Charter, which guides 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 guides 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 per the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct of the Board guides 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 are in the hand of the Board, a formal Schedule of Reserved matters has been implemented, to guide and reserved matters specifically to the Board for decision making. The Schedule of Reserved matters is provided to Directors upon appointment and it is kept up to date.

The Board has established the Whistleblowing Policy and Procedures in enabling the stakeholders to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud and possible improprieties in financial reporting.

The Board has also established its Anti-Bribery and Corruption ("**ABC**") Policy which outlines the relevant guiding principles and mitigating controls to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

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

Roles and Responsibilities of the Company Secretaries

Presently, the Board is assisted by two (2) qualified Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regard to the compliance with regulatory requirements, corporate disclosure and governance related issues. All Directors have unrestricted access to the advice and services of the company secretaries.

The appointment and removal of the Company Secretaries of the Board and Board Committees shall be the prerogative of the Board as a whole.

Corporate Governance Overview Statement

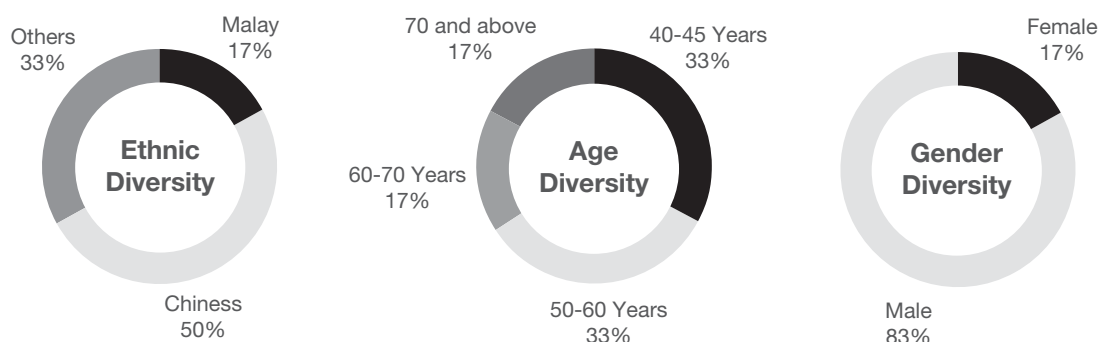
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2. BOARD COMPOSITION

2.1 Composition and Balance of the Board

The Board consists of six (6) members, comprising one (1) Executive Director, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Thus, this complies with Rule 15.02 of the AMLR that requires one-third (1/3) of the Board is made up of Independent Directors.

The current board composition is illustrated as below:



The Directors have wide-ranging experience and all have occupied or are currently occupying senior positions in the public and/or private sectors. A brief profile of each Board member is as set out on pages 14 to 19 of this Annual Report. The presence of Independent Directors fulfils a pivotal role in corporate accountability and the role of the Independent Directors is particularly important as they provide unbiased and independent views, advice and judgement.

During the financial year under reviewed, the NRC reviewed to ensure functioning of the Board in lights of the vacancies created by the following by bringing new experience, knowledge and skills on the Board to meet the current and future needs of the Company and of the Group:

- i. Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said (B) resigned as Director on 1 October 2020.
- ii. Chhoa Kwang Hua resigned as Director on 6 November 2020.
- iii. Dato' Mohamed Sharil Bin Mohamed Tarmizi resigned as Director on 26 April 2021.

2.2 Independent Directors

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

The Company adopts the best practices under the MCCG where the tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Accordingly, Ms. Chan and Mr. Yanne who have served on the Board for more than 9 years were redesignated from INED to NINED on 20 August 2021.

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 independence 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.

Corporate Governance Overview Statement

cont'd

2. BOARD COMPOSITION (CONT'D)

2.2 Independent Directors (Cont'd)

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

2.3 Directors' Remuneration

Nominating & Remuneration Committee

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

Each Director evaluates the performance of the Board as a whole by way of a self-assessment questionnaire by individual Board member and the evaluation process is led by the NRC Chairman supported by the Company Secretaries and Corporate Services Workgroup.

The NRC Report is as set out on pages 36 to 38 of this Annual Report, which outlines the NRC's membership, its responsibilities and summary of activities carried out during the year.

The aggregate remuneration of the Directors for the financial year ended 31 March 2021 is as follows:

Director	Group				Company	
	Directors' Fee (RM)	Salaries (RM)	Allowances (RM)	Benefits-in-Kind (RM)	Directors' Fee (RM)	Allowances (RM)
Sven Janne Sjöden	24,000	-	24,000	-	24,000	24,000
Chan Bee Lean (f)	24,000	-	34,500	-	24,000	34,500
Magnus Kreuger	24,000	-	38,000	-	24,000	38,000
Teh Li King (<i>Appointed wef 24 February 2021</i>)	2,357	-	-	-	2,357	-
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said (B) (<i>Resigned wef 1 October 2020</i>)	18,017	-	20,500	-	12,000	20,500
Chhoa Kwang Hua, Eric (<i>Resigned wef 6 November 2020</i>)	35,000	-	14,957	-	14,400	14,500
Dato' Mohamed Sharil Bin Mohamed Tarmizi (<i>Resigned wef 26 April 2021</i>)	30,493	-	61,548	-	24,000	61,500

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 NRC. Non-Executive Directors receive fixed annual fees and allowances for attending Board and Board Committee meetings.

Corporate Governance Overview Statement

cont'd

2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration (Cont'd)

Nominating & Remuneration Committee (Cont'd)

The Board has established a policy and procedure to facilitate the NRC to review, consider and recommend to the Board for decision the remuneration package of the Executive Directors and Senior management and is to be reviewed by the Board as required. The remuneration policy is made available for reference in the Company's website, www.opcom.com.my.

Executive Director/Senior Management Remuneration

As required under the MCGG to disclose top five (5) senior management's remuneration in the band of RM50,000, the table below shows the remuneration bands:

RANGE OF REMUNERATION (RM)	EXECUTIVE DIRECTORS/ SENIOR MANAGERMENTS				
	CHHOA KWANG HUA, ERIC (Resigned wef 6 November 2020)	LIM BEE KHIN (cessation of Office wef 31 December 2020)	YUSREE PUTRA BIN ALIAS (cessation of Office wef 31 December 2020)	ROHIZA HUSAIN	CHAN AI JOO, CINDY
150,000 and below	✓				
150,001 – 200,000					
200,001 – 250,000		✓		✓	✓
300,001 – 350,000					
350,001 – 400,000			✓		

3. BOARD EFFECTIVENESS

3.1 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 Secretaries 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 Secretaries of the Company for information relating to business and affairs of the Group.

Corporate Governance Overview Statement

cont'd

3. BOARD EFFECTIVENESS (CONT'D)

3.2 The Board Meeting

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

For the financial year ended 31 March 2021, the Board held twelve (12) meetings. Directors' attendance to these meetings can be found in the Board of Directors' profile on pages 14 to 19. At Board meetings, strategies and performance of the Group are being reviewed and evaluated in the light of any changing circumstances whether economic, social or political.

3.3 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. During the financial year under review, regular updates/briefing on regulatory and industry trends were held at Board and Committee meetings.

The Board continuously encourage its members to undergo appropriate training education programmes in order to effectively discharge their functions effectively as Directors.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

As of financial year ended 31 March 2021, the Company has in place an Audit Committee which comprises three (3) Independent Non-Executive Directors. The role of the Audit Committee is to oversee the processes for preparation and completion of the financial data. The Audit Committee reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the Group.

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

2. 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.

3. 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 Committee reviews the recommendation of the management team to undertake expenditure or investment activities which require Board approvals.

Corporate Governance Overview Statement

cont'd

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3. Tender Committee (Cont'd)

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

4. 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 outsourced its Internal Audit function to Messrs Moore Stephens Associates PLT, who reports directly to the Audit Committee, to ensure independent reviews be carried out on the adequacy and integrity of the Group's system of internal controls. The Board considers the system of internal controls instituted throughout the Group sound and sufficient. The total cost incurred for the internal audit activities of the Group for the financial year under review was RM60,000. The Statement on Risk management and Internal Control furnished on pages 39 to 43 of the Annual Report provides an overview of the state of internal controls within the Group.

5. 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 34 to 35 of the Annual Report.

The Audit Committee will have a private session with the External Auditors without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the Audit Committee and External Auditors. The Audit Committee obtains reasonable assurance on the effectiveness of the internal control system through annual independent appraisal by the External Auditors. External Auditors are invited to attend the Company's Annual General Meeting ("AGM").

6. 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.

7. Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year. In preparing the financial statements, the Directors have ensured that the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the AMLR of Bursa Securities have been applied. In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been 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.

Corporate Governance Overview Statement

cont'd

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

7. Statement of Directors' Responsibility for Preparing the Financial Statements (Cont'd)

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

1. Dialogue between the Company and Investors

The Board is committed to providing shareholders and investors accurate, useful and timely information about the Company, its business and its activities. 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.

2. General Meeting

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

In line with the requirements of the AMLR, poll voting will be conducted through an electronic poll voting system. An independent scrutineer was appointed to validate the poll results and the decision of each resolution, including of votes for and against of the resolution, are provided at the meeting and the outcome is announced via Bursa Link on the same meeting day. Opcom will continue to leverage technology to enhance the quality of its shareholder engagement and facilitate further participation by shareholders at Opcom's AGMs.

Compliance with MCCG

The Board is supportive of all the recommendations of the MCCG and has ensured that the recommendations set out in the MCCG have been substantially implemented by Opcom Group. The Board will take reasonable steps to review existing policies and procedures from time to time to ensure full compliance thereof.

This statement is issued in accordance with a resolution of the Board dated 2 August 2021.

Audit Committee Report

The Board of Directors (“**Board**”) is pleased to present the Audit Committee (“**AC**”) Report of Opcom Holdings Berhad (“**Opcom**” or “**the Company**”) for the financial year ended 31 March 2021.

COMPOSITION

As at 31 March 2021, the AC comprised three (3) Independent Directors: -

Chan Bee Lean (f) (*Chairperson*)
(Independent Non-Executive Director)

Dato’ Mohamed Sharil Bin Mohamed Tarmizi
(Independent Non-Executive Director)

Magnus Kreuger
(Independent Non-Executive Director)

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR

During the financial year, the AC held six (6) meetings. Details of attendance of the AC members are as follows:

Name	Number of Meetings Attended
Chan Bee Lean (f)	6/6
Magnus Kreuger	6/6
Dato’ Mohamed Sharil Bin Mohamed Tarmizi (Appointed on 1 October 2020, Resigned on 21 April 2021)	2/2
Lt. Jen. Dato’ Seri Panglima Zaini Bin Hj. Mohd Said SP (B) (Resigned on 1 October 2020)	4/4

During the financial year under review, the members of the AC had two (2) separate dialogues with the representatives of the External Auditors of the Company without the presence of any Executive Director and management personnel.

SUMMARY OF WORK DONE BY THE AC

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

(a) Financial Results and Corporate Governance

- Reviewed and deliberated the unaudited quarterly results and audited financial statements of the Group, including related announcements, compliance with Malaysian Financial Reporting Standards and Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“**AMLR**”), with management, before recommendation to the Board for approval;
- Reviewed quarterly financial manual of Opcom Group;
- Reviewed and discussed the changes in law and regulations and regulatory updates relating to the Group’s businesses;
- Reviewed annually the policies, procedures and processes established for related party transactions, and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the AMLR;
- Reviewed quarterly the related party transactions to ensure they are within the approved mandated value given by the shareholders;
- Reviewed the Risk Management Policies and Procedures and proposed refresher training to Head of Workgroups of the Group;

Audit Committee Report

cont'd

SUMMARY OF WORK DONE BY THE AC (CONT'D)

(a) Financial Results and Corporate Governance (Cont'd)

- Reviewed the Circular to Shareholders in relation to the renewal and new recurrent related party transactions mandate and recommended to the Board to seek shareholders' approval; and
- Reviewed the AC Report and Statement on Risk Management & Internal Control for inclusion in the Annual Report of the Company.

(b) External Audit

- Reviewed the External Auditor's audit plans to ensure audit scopes are adequately covered;
- Reviewed the audit progress, results of the final audit, audit report and assistance given by the employees of the Company with the External Auditors;
- Reviewed and undertook annual assessment of the suitability, objectivity and independence of External Auditors;
- Met with the External Auditors twice a year without the presence of any Executive Director and management personnel; and
- Reviewed and recommended to the Board the proposed annual audit fees for the External Auditors.

(c) Internal Audit

- Reviewed and assessed the adequacy of the annual scopes and functions of the internal audit plan for the Company and the Group;
- Reviewed and recommended to the Board the renewal audit engagement;
- Reviewed and recommended to the Board the proposed annual audit fees for the Internal Auditors; and
- Reviewed the quarterly internal audit reports, follow-up review reports and management's action plans with management and Internal Auditors.

INTERNAL AUDIT ACTIVITIES

The internal audit function of the Group has been outsourced to Messrs Moore Stephens Associates PLT ("**MOORE**"), who reports directly to the AC. MOORE assists the Board in maintaining a sound system of internal controls and ensures that established policies and procedures are adhered to and continue to be effective and satisfactory.

MOORE 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, internal audit findings and the internal follow-up review reports are submitted for review and approval by the AC. Included in the reports are recommended corrective measures on risks and/or weaknesses identified, if any, for implementation by management. Some internal control weaknesses were identified during the financial year under review, all of which have been or are being addressed by the management. None of these weaknesses has resulted in any material loss that would require disclosure in the Group's financial statements.

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

- Hire to Retire
- Production - Opcom Cables Sdn Bhd
- IT General Controls
- Inventory Management

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

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2021 is RM60,000.

Nominating & Remuneration Committee Report

The Board of Directors (“**Board**”) is pleased to present the Nominating & Remuneration Committee (“**NRC**”) Report of Opcom Holdings Berhad (“**Opcom**” or “**the Company**”) and its subsidiaries (“**Group**”) for the financial year ended 31 March 2021.

COMPOSITION

As at 31 March 2021, the NRC comprised three (3) Independent Directors:-

Dato’ Mohamed Sharil Bin Mohamed Tarmizi (*Chairman*)
(Independent Non-Executive Director)

Sven Janne Sjöden
(Independent Non-Executive Director)

Magnus Kreuger
(Independent Non-Executive Director)

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR

The NRC held a total of three (3) meetings. Details of attendance of the NRC members are as follows:

Name	Number of Meetings Attended
Dato’ Mohamed Sharil Bin Mohamed Tarmizi (<i>Resigned on 21 April 2021</i>)	3/3
Sven Janne Sjöden	3/3
Magnus Kreuger	3/3

APPOINTMENT & RE-ELECTION

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

In accordance with the Company’s Constitution, at every Annual General Meeting (“**AGM**”), one-third of the Directors are subject to retirement by rotation so 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. All Directors who retire from office shall be eligible for re-election.

The Directors who are subject to re-election and/or election 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 election. Appropriate assessment and recommendation by the NRC would be based on the yearly assessment conducted.

At the forthcoming Twenty-Sixth AGM (“**26th AGM**”), Dato’ Mazlin Bin MD Junid, Teh Li King and Ong Soon Lim will be retiring in accordance with Article 83 of the Company’s Constitution. Magnus Kreuger will be retiring in accordance with Article 90(1) of the Company’s Constitution.

Nominating & Remuneration Committee Report

cont'd

APPOINTMENT & RE-ELECTION (CONT'D)

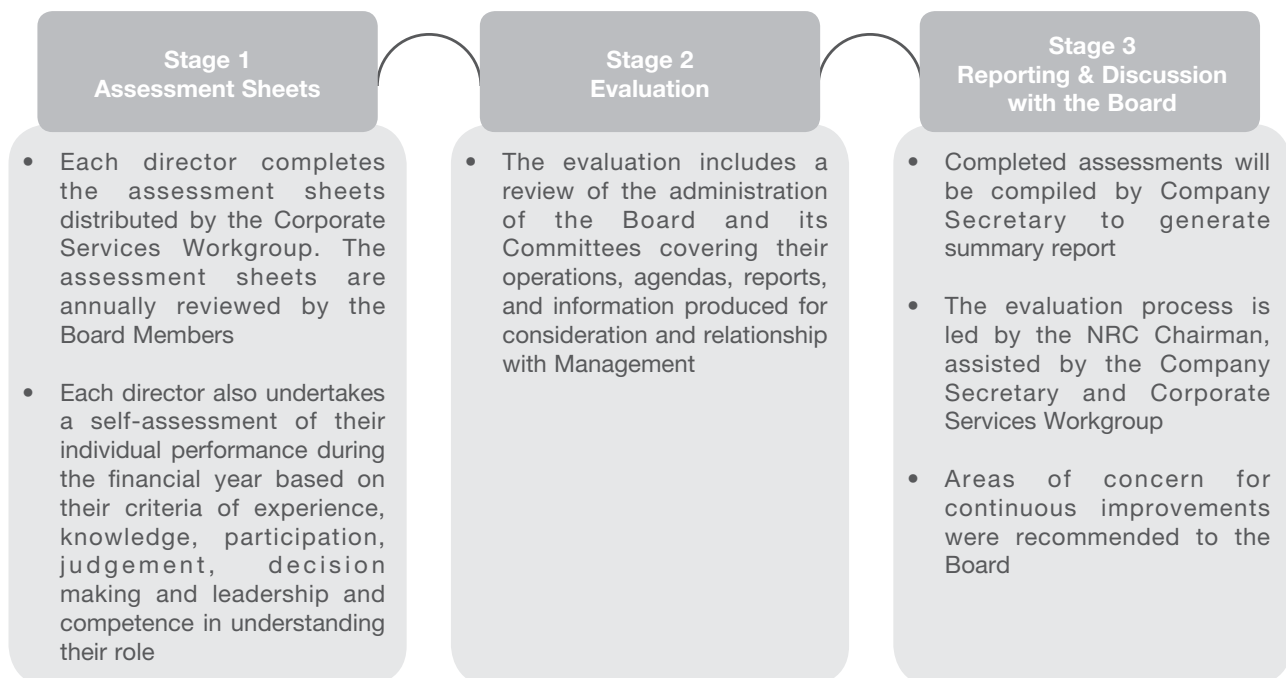
Criteria have been set to assess the independence of candidate for Directors and existing Directors based on the guidelines set out in the AMLR. On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs. The Company will be adopting the recommendations of MCCG for tenure of an Independent Director that has exceeded a cumulative term of nine (9) years, the Independent Director may continue to serve on the Board subject to Board's justification and to seek annual shareholders' approval.

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.

BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTOR EVALUATION

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



Nominating & Remuneration Committee Report

cont'd

SUMMARY OF WORK DONE BY THE COMMITTEE

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;
- Assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- Discussed the Company's Directors' election and retirement by rotation;
- Discussed the retention of the Company's Independent Directors who have served the Company for more than nine (9) years and twelve (12) years;
- Reviewed the Company's Directors' meeting allowances; and
- Reviewed the Employment Contract/The senior management

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

Statement on Risk Management & Internal Control

INTRODUCTION

The Board of Directors of Opcom Holdings Berhad (“**Board**”) is pleased to provide the following Statement on Risk Management and Internal Control of the Company and its subsidiaries (“**Group**”) for the financial year ended 31 March 2021, which has been prepared in accordance with the “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers” (“**Guidelines**”) issued by Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

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

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

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

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

RISK MANAGEMENT FRAMEWORK

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

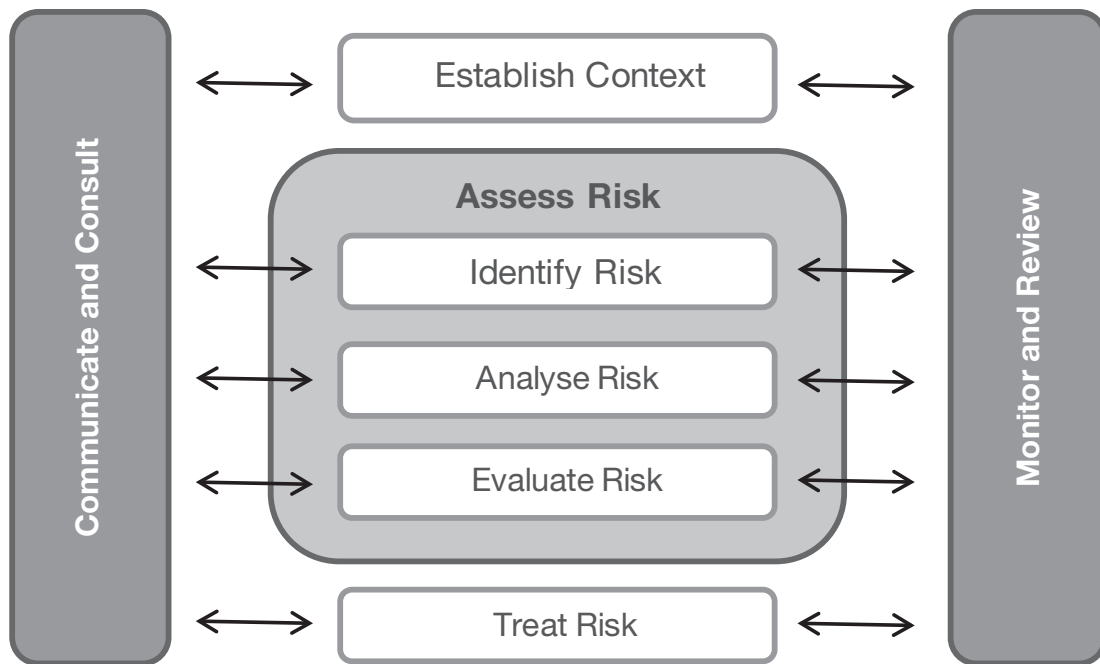
The Group had a written Risk Management Policies and Procedures (“**RMPP**”) with an objective to ensure a formal and consistent process of risk identification, assessment, acceptance and treatment is carried out within the Group.

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

Statement on Risk Management & Internal Control

cont'd

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



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

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

Statement on Risk Management & Internal Control

cont'd

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

Insignificant
 Low
 Moderate
 High
 Extremely High

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

INTERNAL AUDIT

The Group appoints an independent outsourced internal audit service provider to carry out internal audit reviews, and to support the Board in assessing the adequacy and integrity of the internal control systems of the business units within the Group. The internal audit team highlights to the executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

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

- Hire to Retire
- Production - Opcom Cables Sdn Bhd
- IT General Controls
- Inventory Management

The reports are submitted to the Audit Committee, which reviews the findings with Management at its quarterly meetings. In additions, 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.

Statement on Risk Management & Internal Control

cont'd

Additionally and separately, the Board is also of the view that the Internal Control system is adequate and effective based on the established Internal Control framework as reported by an independent outsourced internal audit service provider to the Audit Committee of the Board. The Board remains committed to ensuring a sound system of risk management and internal control, and therefore, recognise that the systems must continuously evolve to support growth and will take any appropriate action plans, when necessary, to further enhance the Company's system of risk management and internal control.

MANAGEMENT RESPONSIBILITIES AND BOARD ASSURANCE AND LIMITATION

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

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

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

- **Standard Operating Procedures and Control Policy**
Group-wide policies and procedures are in place to facilitate communications and awareness of accountability and control procedures for key business units. The policies and procedures are available and accessible by the relevant employees.
- **Organisation Structure and Authorisation Matrix**
The Group has a formally defined organisational structure that sets out lines of accountability. The delegation of authority is documented and sets out the decisions that need to be taken and the appropriate authority levels of management, including matters that require the Board's approval. Key financial and procurement matters of the Group require the authorisation of the relevant levels of senior management.
- **Budgetary Review**
The Group's management team monitors and review the financial results and budgets for all business units within the Group on a monthly basis. The processes include monitoring and reporting of performance against the operating plans and annual budgets in operations committee meetings. The Group's management team communicate on a monthly basis to monitor operational and financial performance as well as to formulate action plans to address any areas of concern.

Statement on Risk Management & Internal Control

cont'd

The system of internal control is also structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation is at a level acceptable to the business. It achieves this through a combination of prevention, detective and corrective measures. It is possible that internal control may be circumvented or overridden. The rationale of the system of internal controls is to enable the Group to achieve its strategic and business objectives within an acceptable risk profile and cannot be expected to eliminate all risks. The system of internal controls will continue to be reviewed and tested periodically, added on or updated in line with the changes in the operating environment.

However, this system of internal control does not apply to the Associated Companies as the Group does not possess control over the associates whom operates under different business environment. There are no major internal control weaknesses that brought to the attention of the Board since the date of acquisition.

The RMC, provided assurance that 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 2021. Based on the Management's assurance as well as input from the relevant assurance providers, the Board is of the view that the risk management and internal control system are adequate and effective for the financial year under review and up to the date of approval of this statement and there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks.

Review of Statement on Internal Control by External Auditors

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Ace Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

This statement is issued in accordance with a resolution of the Board dated 2 August 2021.

Additional Compliance Information

The information set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Securities:

1. AUDIT FEES AND NON-AUDIT FEES

The fees incurred for services rendered to the Group by the Group's External Auditors for the financial year ended 31 March 2021 is as follows:

	Group (RM)	Company (RM)
Audit Fees	170,000	48,000
Non-Audit Fees	5,000	5,000

Non-Audit fees payable to the External Auditors for the financial year ended 31 March 2021 by the Group is for review of Statement on Risk Management & Internal Control, and review of financial information contained in the Annual Report.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and/or its subsidiaries involving the Board and major shareholders' interest during FY2021.

3. UTILISATION OF PROCEEDS

The total proceeds of RM9,272,000 from the Private Placement have been utilised in the following manner as at 31 July 2021:

Details of Utilisation	Proceeds raised RM'000	Actual utilised RM'000	Balance to be utilised RM'000
1) Future business projects/investment	6,000	(276)	5,724
2) Working capital	3,140	(2,505)	635
3) Estimated expenses for the Private Placement	132	(132)	-
Total	9,272	(2,913)	6,359

Additional Compliance Information

cont'd

4. RECURRENT RELATED PARTY TRANSACTIONS

The recurrent related party transactions of a revenue or trading nature of Opcom and its Group made during the financial year ended 31 March 2021 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 its associated companies	Purchase of goods and services from OSB Group and its associated companies, including: <ul style="list-style-type: none"> • raw materials and components for the manufacture of fiber optic cables • fiber optic cables and accessories • fiber coloring, optical fiber, ribbon optical fibers, and ribboning products and services • other fiber optic cable related products • information and communication technology products and services • fiber optic cable and system project management, installation and related services • capital equipment, test equipment, software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services • product warranty and management and repairs of faulty products • as project consultants and advisers for business and market development in Malaysia and/or internationally • as agent and/or distributor for Opcom Group's products and services in Malaysia and/or internationally • selected supply chain business activities including logistics, packing, warehousing, testing, validation, customer support service, et. al. • project management for plant infrastructure facilities and other such related services. • plant and equipment on a turnkey basis, manufacturing-knowhow maintenance and ancillary services and parts thereof • IT services and other business services 	Dato' Seri Utama Mukhriz Mahathir ^a Datin Seri Utama Norzieta Zakaria ^b Mirzan Mahathir ^c MOCSB ^d	830,823
Airzed Broadband Sdn Bhd ("ABSB")	Letting of Opcom's open area (4,890 square feet) at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan to ABSB commencing from 1 September 2019 with monthly rental of RM1,815	Dato' Seri Utama Mukhriz Mahathir ^a Datin Seri Utama Norzieta Zakaria ^b MOCSB ^d Chhoa Kwang Hua ^e	18,150

Additional Compliance Information

cont'd

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value (RM)
Unigel (UK) Limited Group (" Unigel Group ") and its associated companies	Supply of goods and services to Unigel Group and its associated companies, including: <ul style="list-style-type: none"> • Merchandise including all types of chemical compounds, fiber optic cable and related accessories as well as other industrial and consumer related products services, capital goods and building infrastructure and systems • selected supply chain business activities including logistics, packing, warehousing, testing, customer support services et. al. • all general management and IT services and other business activities. • R&D and proto-typing services • fiber reinforced plastics, related products and accessories 	Chhoa Kwang Hua ^o	16,192,769
	Purchase of goods and services from Unigel Group and its associated companies, including: <ul style="list-style-type: none"> • cable related raw materials, components and other such related merchandise, • gel related raw materials components and other such related merchandise, • as agent and/or distributor for Opcom Group's products and services, • consultancy, technical advisory and related services and business services and provision of such related services. • capital equipment, test equipment software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services 		2,057,896

Additional Compliance Information

cont'd

Transacting Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value (RM)
Hikari Composites Sdn. Bhd. ("HCSB") Group and its associated companies	Supply of goods and services to HCSB Group and its associated companies, including: <ul style="list-style-type: none"> • raw materials, components and related products • services including management, technical, engineering and all other related services 	Chhoa Kwang Hua °	76,405
	Purchase of goods and services from HCSB Group and its associated companies, including: <ul style="list-style-type: none"> • fibre reinforced plastics related and other such related merchandise • consultancy, technical advisory and related services and business services and provision of such related services • capital equipment, test equipment, software, other auxillary equipment and spare parts, installation testing, commissioning, technical support service and consultancy services and other such related products and services 		696,575
Hikari Composites Sdn. Bhd. ("HCSB")	Letting of manufacturing, work and storage space to HCSB (approximately 20,000 square feet) at No. 11 Jalan Utas 15/7, 40200 Shah Alam from 1 October 2018 with a monthly rental of RM11,000	Chhoa Kwang Hua °	49,335

Notes:

Nature of Interest

- a. Dato' Seri Utama Mukhriz Mahathir is a major shareholder of OPCOM.
- b. Datin Seri Utama Norzieta Zakaria, the spouse of Dato' Seri Utama Mukhriz Mahathir is a Director of Opcom Cables Sdn Bhd ("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") and OSB.
- c. Mirzan Mahathir, the brother of Dato' Seri Utama Mukhriz Mahathir and the brother in-law of Datin Seri Utama Norzieta Zakaria is a Director of OCSB and a shareholder of OSB. He is also a shareholder and Director of MOCSB.
- d. MOCSB is a major shareholder of Opcom.
- e. Chhoa Kwang Hua, Executive Director of OPCOM, is a Director of UCSB and OSSSB. He is an alternate Director to Datin Seri Utama Norzieta Zakaria in OCSB. He is a Director and major shareholder of ABSB.

Remarks:

- i. Dato' Seri Utama Mukhriz Mahathir ceased to be a major shareholder of OPCOM on 11 February 2021.
- ii. MOCSB ceased to be a major shareholder of OPCOM on 11 February 2021.
- iii. Datin Seri Utama Norzieta Zakaria ceased to be deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of her shareholdings in MOCSB in 11 February 2021.
- iv. Datin Seri Utama Norzieta Zakaria and Mirzan Mahathir resigned as a Directors of OCSB on 5 February 2021. Chhoa Kwang Hua ceased as alternate Director to Datin Seri Utama Norzieta Zakaria in OCSB on the 6 November 2020.
- v. Chhoa Kwang Hua resigned as a Director of UCSB on 30 September 2020, Executive Director of OPCOM on 6 November 2020 and subsequently as a Director of OSSSB on 31 January 2021.

FINANCIAL STATEMENT...

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53	Statutory Declaration
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60	Statements of Profit or Loss and Other Comprehensive Income
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65	Statements of Cash Flows
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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of renting of buildings, provision of management services to its subsidiaries and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	3,162,108	228,122
Attributable to:-		
Owners of the Company	2,587,581	228,122
Non-controlling interests	574,527	-
	3,162,108	228,122

DIVIDENDS

No dividend was recommended by the directors for the 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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

Subsequent to the end of the reporting period, the Company increased its share capital as disclosed in Note 35 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Directors' Report

cont'd

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report

cont'd

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Teh Li King (Appointed on 24.2.2021)
Chan Bee Lean
Dato' Mazlin Bin MD Junid (Appointed on 21.7.2021)
Sven Janne Sjöden
Magnus Kreuger
Ong Soon Lim (Appointed on 21.7.2021)
Lt. Jen. Dato' Seri Panglima Zaini Bin Hj. Mohd Said SP (B) (Resigned on 1.10.2020)
Chhoa Kwang Hua (Resigned on 6.11.2020)
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned on 26.4.2021)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Yusree Putra Bin Alias
Rohiza Binti Husain
Arun Bansal
Patrick Rolf Johansson
Ahmad Bazlan Bin Che Kasim
Mahfuz Bin Wan Har (Appointed on 1.3.2021)
Dato' Muthanna Bin Abdullah (Resigned on 1.10.2020)
Lim Bee Khin (Resigned on 4.1.2021)
Datin Seri Utama Norzieta Binti Zakaria (Resigned on 5.2.2021)
Mirzan Bin Mahathir (Resigned on 5.2.2021)

DIRECTORS' INTERESTS

None of the directors holding office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 30(a) to the financial statements.

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of insurance premium paid for the directors and certain officers of the Group was RM7,500. No indemnity was given to or insurance effected for auditors of the Company.

Directors' Report

cont'd

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

Signed in accordance with a resolution of the directors dated 2 August 2021.

Teh Li King

Chan Bee Lean

Statement By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Teh Li King and Chan Bee Lean, being two of the directors of Opcom Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 58 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 2 August 2021.

Teh Li King

Chan Bee Lean

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chan Ai Joo, MIA Membership Number: 24227 being the officer primarily responsible for the financial management of Opcom Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 125 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chan Ai Joo, NRIC Number: 770103-14-5132
at Kuala Lumpur
in the Federal Territory
on this 2 August 2021

Chan Ai Joo

Before me

Datin Hajah Raihela Wanchik
Commissioner for Oaths
No. W-275

Independent Auditors' Report

To the Members of Opcom Holdings Berhad

(Incorporated in Malaysia) Registration No: 199401036979 (322661 - W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Opcom Holdings Berhad ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and of the Company as at 31 March 2021, 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report

To the Members of Opcom Holdings Berhad
(Incorporated in Malaysia) Registration No: 199401036979 (322661 - W)
cont'd

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Property, Plant and Equipment Refer to Note 7 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2021, the carrying amount of property, plant and equipment ("PPE") of the Group was RM24,401,700. Included in this amount was the carrying amount of PPE for a subsidiary, i.e. Unigel Compounds Sdn. Bhd. ("UCSB") amounted to RM6,961,099.</p> <p>UCSB has incurred losses over the recent years and the performance of this subsidiary has not significantly improved during the current financial year. This gave rise to indication that the PPE might be impaired.</p> <p>This is an area of focus given the inherent subjectivity in impairment testing. This is because the impairment assessment on the recoverable amount of the PPE is based on the value-in-use ("VIU") method that involved judgement and estimation uncertainty.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ■ Reviewed the management's assessment of indicators of impairment as of the end of the reporting period; ■ Evaluated the key assumptions used in the financial projections by comparing them to the past performances, as well as considering long term contract secured, the current and future market or economic conditions; ■ Assessed the reasonableness of the discount rate, revenue growth and the methodology used in deriving the present value of the cash flows; and ■ Performed sensitivity analysis on the key inputs of the financial projections.
Impairment of Investment in an Associate Refer to Note 6 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2021, the carrying amount of the investment in an associate, Unigel (UK) Limited ("Unigel (UK)") amounted to RM19,035,713.</p> <p>This is considered a key audit matter due to its significant carrying amount and the inherent subjectivity in impairment testing.</p> <p>The impairment assessment involved significant judgments and there is inherent uncertainty in the assumptions applied to determine the recoverable amount of the investment in Unigel (UK).</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ■ Evaluated the key assumptions used in the financial projections by comparing them to the past performances, as well as considering the current and future market or economic conditions; ■ Assessed the reasonableness of the discount rate, terminal growth rate at the end of the plan period and the methodology used in deriving the present value of the cash flows; and ■ Performed sensitivity analysis on the key inputs of the financial projections.

Independent Auditors' Report

To the Members of Opcom Holdings Berhad

(Incorporated in Malaysia) Registration No: 199401036979 (322661 - W)

cont'd

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

To the Members of Opcom Holdings Berhad
(Incorporated in Malaysia) Registration No: 199401036979 (322661 - W)
cont'd

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:- (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTER

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ooi Song Wan
02901/10/2022 J
Chartered Accountant

2 August 2021

Kuala Lumpur

Statements of Financial Position

At 31 March 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	20,150,002	20,135,002
Investments in associates	6	19,329,743	19,396,318	-	-
Property, plant and equipment	7	24,401,700	27,312,386	168,461	228,298
Investment properties	8	-	-	12,514,051	12,743,642
Right-of-use assets	9	12,118,927	12,370,873	12,068,612	12,292,112
Deferred tax asset	10	55,019	-	-	-
		55,905,389	59,079,577	44,901,126	45,399,054
CURRENT ASSETS					
Inventories	11	13,937,988	13,056,998	-	-
Trade receivables	12	19,227,978	3,631,794	-	-
Other receivables, deposits and prepayments	13	1,030,586	1,367,862	289,780	233,510
Amount owing by subsidiaries	14	-	-	786,562	74,577
Amount owing by associates	15	6,693,327	10,709,504	-	-
Amount owing by related parties	16	-	77,603	-	73,419
Current tax assets		531,958	896,975	419,605	324,303
Fixed deposits with licensed banks	17	16,962,527	9,403,647	3,707,847	302,201
Cash and bank balances		3,898,253	9,284,062	1,206,311	1,946,735
		62,282,617	48,428,445	6,410,105	2,954,745
TOTAL ASSETS		118,188,006	107,508,022	51,311,231	48,353,799

The annexed notes form an integral part of these financial statements.

Statements of Financial Position

At 31 March 2021
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	32,249,987	32,249,987	32,249,987	32,249,987
Reserves	19	51,675,449	50,373,384	14,639,831	14,411,709
Equity attributable to owners of the Company		83,925,436	82,623,371	46,889,818	46,661,696
Non-controlling interests	5	7,409,398	6,840,871	-	-
TOTAL EQUITY		91,334,834	89,464,242	46,889,818	46,661,696
NON-CURRENT LIABILITIES					
Deferred tax liabilities	10	350,483	447,160	404,355	514,662
Lease liability	20	22,166	-	-	-
TOTAL LIABILITIES		372,649	447,160	404,355	514,662
CURRENT LIABILITIES					
Trade payables	21	9,442,239	4,033,190	-	-
Other payables and accruals	22	7,591,139	2,768,859	393,641	367,871
Amount owing to subsidiaries	14	-	-	3,623,417	809,570
Amount owing to related parties	16	-	396,764	-	-
Amount owing to a corporate shareholder of a subsidiary	23	8,063,060	8,063,614	-	-
Lease liabilities	20	28,418	22,057	-	-
Bank borrowings	24	1,142,176	2,312,136	-	-
Current tax liabilities		213,491	-	-	-
		26,480,523	17,596,620	4,017,058	1,177,441
TOTAL LIABILITIES		26,853,172	18,043,780	4,421,413	1,692,103
TOTAL EQUITY AND LIABILITIES		118,188,006	107,508,022	51,311,231	48,353,799

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss And Other Comprehensive Income

For The Financial Year Ended 31 March 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
REVENUE	25	66,994,190	44,450,985	2,612,687	2,747,827
COST OF SALES		(52,779,933)	(43,025,211)	(1,716,327)	(1,687,323)
GROSS PROFIT		14,214,257	1,425,774	896,360	1,060,504
OTHER INCOME		1,405,783	1,102,437	34,824	13,909
DISTRIBUTION EXPENSES		(1,892,044)	(1,136,734)	-	-
ADMINISTRATIVE EXPENSES		(6,952,368)	(7,535,600)	(842,331)	(896,203)
OTHER EXPENSES		(4,490,287)	(4,446,403)	-	-
FINANCE COSTS		(16,829)	(118,201)	-	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		1,119,167	630,915	-	-
PROFIT/(LOSS) BEFORE TAXATION	26	3,387,679	(10,077,812)	88,853	178,210
INCOME TAX EXPENSE	27	(225,571)	218,983	139,269	117,330
PROFIT/(LOSS) AFTER TAXATION		3,162,108	(9,858,829)	228,122	295,540
OTHER COMPREHENSIVE (EXPENSE)/INCOME					
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(1,285,516)	1,893,815	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE FINANCIAL YEAR		1,876,592	(7,965,014)	228,122	295,540

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss And Other Comprehensive Income

For The Financial Year Ended 31 March 2021
cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		2,587,581	(7,896,171)	228,122	295,540
Non-controlling interests		574,527	(1,962,658)	-	-
		3,162,108	(9,858,829)	228,122	295,540
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		1,302,065	(6,002,356)	228,122	295,540
Non-controlling interests		574,527	(1,962,658)	-	-
		1,876,592	(7,965,014)	228,122	295,540
EARNINGS/(LOSS) PER SHARE (SEN)					
	28				
Basic		1.60	(4.90)		
Diluted		1.60	(4.90)		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 March 2021

The Group	Share Capital		Capital Reserve		Foreign Exchange Translation Reserve		Distributable Retained Profits		Attributable to Owners of the Company		Non-controlling Interests		Total Equity	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.4.2019	32,249,987	3,283	2,352,259	54,020,198	88,625,727	8,813,529	97,439,256							
Loss after taxation for the financial year	-	-	-	(7,896,171)	(7,896,171)	(1,962,658)	(9,858,829)							
Other comprehensive income for the financial year:														
- Foreign currency translation differences	-	-	1,893,815	-	1,893,815	-	1,893,815							
Total comprehensive expense for the financial year	-	-	1,893,815	(7,896,171)	(6,002,356)	(1,962,658)	(7,965,014)							
Distributions to owners of the Company:														
- Dividends:														
- by a subsidiary to non-controlling interests	-	-	-	-	-	(10,000)	(10,000)							
Balance at 31.3.2020	32,249,987	3,283	4,246,074	46,124,027	82,623,371	6,840,871	89,464,242							

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 March 2021
cont'd

The Group	Share Capital		Capital Reserve		Foreign Exchange Translation Reserve		Distributable Retained Profits		Attributable to Owners of the Company		Non-controlling Interests		Total Equity	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 31.3.2020/1.4.2020	32,249,987	3,283	4,246,074	46,124,027	82,623,371	6,840,871	89,464,242							
Profit after taxation for the financial year	-	-	-	2,587,581	2,587,581	574,527	3,162,108							
Other comprehensive expense for the financial year:														
- Foreign currency translation differences	-	-	(1,285,516)	-	(1,285,516)	-	(1,285,516)							
Total comprehensive income for the financial year	-	-	(1,285,516)	2,587,581	1,302,065	574,527	1,876,592							
Distributions to owners of the Company:														
- Dividends:														
- by a subsidiary to non-controlling interests	-	-	-	-	-	(6,000)	(6,000)							
Balance at 31.3.2021	32,249,987	3,283	2,960,558	48,711,608	83,925,436	7,409,398	91,334,834							

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 March 2021

cont'd

The Company	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.4.2019	32,249,987	14,116,169	46,366,156
Profit after taxation/Total comprehensive income for the financial year	-	295,540	295,540
Balance at 31.3.2020/1.4.2020	32,249,987	14,411,709	46,661,696
Profit after taxation/Total comprehensive income for the financial year	-	228,122	228,122
Balance at 31.3.2021	32,249,987	14,639,831	46,889,818

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 March 2021

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	3,387,679	(10,077,812)	88,853	178,210
Adjustments for:-				
Depreciation of property, plant and equipment	2,172,053	2,837,259	75,551	83,821
Depreciation of right-of-use assets	307,574	310,875	223,500	223,500
Depreciation of investment properties	-	-	343,516	303,945
Impairment loss/(Reversal of impairment loss):				
- plant and equipment	2,895,362	2,219,286	-	-
- right-of-use assets	-	23,180	-	-
- trade receivables	(422,480)	1,310,861	-	-
Interest expenses on lease liabilities	1,036	4,217	-	-
Interest expenses on bank borrowings	16,829	116,579	-	-
Plant and equipment written off	6,632	1,094	1,162	1,094
Unrealised (gain)/loss on foreign exchange	(164,582)	116,144	-	-
Dividend income	-	-	(404,000)	(370,000)
Gain on disposal of plant and equipment	(20,625)	(42,460)	-	-
Interest income	(356,688)	(591,117)	(34,752)	(13,247)
Inventories written down/(Reversal of inventories written down)	1,432,365	(15,883)	-	-
Share of net profits of equity accounted associates	(1,119,167)	(630,915)	-	-
Covid-19-related rent concessions	(500)	-	-	-
Operating profit/(loss) before working capital changes	8,135,488	(4,418,692)	293,830	407,323
(Increase)/Decrease in inventories	(2,547,363)	3,236,908	-	-
(Increase)/Decrease in trade and other receivables	(14,846,687)	1,887,776	(56,270)	15
(Increase)/Decrease in amount owing by subsidiaries	-	-	(711,985)	290,597
Decrease in amount owing by associates	4,134,198	929,731	-	-
Decrease/(Increase) in amount owing by related parties	77,467	(36,322)	73,419	(32,282)
Increase in trade and other payables	10,569,941	1,699,316	25,770	19,210
Increase/(Decrease) in amount owing to subsidiaries	-	-	2,813,847	(18,851)
Decrease in amount owing to related parties	(389,940)	(1,719,650)	-	-
CASH FROM OPERATIONS	5,133,104	1,579,067	2,438,611	666,012
Income tax refund/(paid)	182,469	669,472	(66,340)	399,734
NET CASH FROM OPERATING ACTIVITIES	5,315,573	2,248,539	2,372,271	1,065,746

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 March 2021

cont'd

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in an existing subsidiary		-	-	(15,000)	-
Dividend received		-	-	404,000	370,000
Interest income received		356,688	591,117	34,752	13,247
Proceeds from disposal of plant and equipment		20,625	72,220	-	486
Purchase of property, plant and equipment		(2,387,511)	(244,611)	(16,876)	(24,592)
Purchase of investment properties		-	-	(113,925)	(121,777)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(2,010,198)	418,726	292,951	237,364
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		(6,000)	(10,000)	-	-
Drawdown of bank borrowings	29(a)	1,825,969	10,598,768	-	-
Repayment of bank borrowings	29(a)	(2,913,520)	(10,704,525)	-	-
Interest paid	29(a)	(17,865)	(120,796)	-	-
Repayment of lease liabilities	29(b)	(28,464)	(49,692)	-	-
NET CASH FOR FINANCING ACTIVITIES		(1,139,880)	(286,245)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,165,495	2,381,020	2,665,222	1,303,110
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		7,576	(94,358)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		18,687,709	16,401,047	2,248,936	945,826
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29(c)	20,860,780	18,687,709	4,914,158	2,248,936

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur, WP Kuala Lumpur.
Principal place of business	:	11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 2 August 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of renting of buildings, provision of management services to its subsidiaries and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

cont'd

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 reporting date, 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 disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Non-financial Assets

The Group determines whether an item of its non-financial assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investment in associates, property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Note 6, Note 7 and Note 9 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables and amount owing by associates as at the reporting date are disclosed in Note 12 and Note 15 to the financial statements.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by associates and amount owing by related parties as at the reporting date are disclosed in Note 13, Note 15 and Note 16 to the financial statements.

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets and liabilities of the Group as at the reporting date are RM531,958 and RM213,491 (2020 - RM896,975 and RM Nil) respectively.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In determining the incremental borrowing rate of the respective leases, the Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the 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 is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL (CONT'D)

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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 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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

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 (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 liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investments in associates is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associates made up to the end of the reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the associates is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investments in the associates is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investments includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The estimated useful lives used for this purpose are:-

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the buildings are 50 years.

Investment property under construction is not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of underlying asset to the Group or the cost of right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of underlying asset. Otherwise, the Group depreciated the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method, and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

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

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.13 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflect current market assessment of the value of money and the risks specific to the asset. 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.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or 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 the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 OPERATING SEGMENTS

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

4.18 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.20 FAIR VALUE MEASUREMENTS

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 a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability 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.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Engineering Services

Revenue from engineering services is recognised over time in the period in which the services are rendered using the output method by reference to the progress based on the physical proportion of work certified by customers.

The Group applies practical expedient paragraph B16 and 121 (a) and (b) under MFRS 15. The former allows the Group to recognise revenue in the amount to which the Group has a right to invoice while the latter allows the Group not to disclose the information required in paragraph 120 for a performance obligation.

(c) Rendering of Other Services

Revenue from providing services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021	2020
	RM	RM
Unquoted shares, at cost		
At 1 April 2020/2019	20,135,002	20,135,002
Addition during the financial year	15,000	-
At 31 March	20,150,002	20,135,002

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021	2020	
		%	%	
<i>Subsidiaries of the Company</i>				
Opcom Cables Sdn. Bhd. ("OCSB")	Malaysia	70	70	Manufacturing of fiber optic cables, systems accessories and provision of engineering services.
Unigel Compounds Sdn. Bhd. ("UCSB")	Malaysia	100	100	Manufacturing and trading of cable filling and flooding compounds and trading of industrial products.
Opcom Shared Services Sdn. Bhd. ("OSSSB")	Malaysia	100	100	Provision of human resources management services.
Opcom Engineering Services Sdn. Bhd. ("OESSB")	Malaysia	90	90	Provision of engineering services to telecommunications and power utilities industry, and act as distribution agent and solution provider for telecommunications products in Malaysia.
Opcom Trading Sdn. Bhd. ("OTSB")	Malaysia	100	100	Dormant.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 5 August 2020, the Company has increased the paid-up share capital of its subsidiary, Opcom Trading Sdn. Bhd. from existing 35,000 shares to 50,000 shares by a cash allotment of RM15,000.
- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2021	2020	2021	2020
	%	%	RM	RM
OCSB	30	30	7,221,985	6,727,458
OESSB	10	10	187,413	113,413
			7,409,398	6,840,871

- (c) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interest that is material to the Group is as follows:-

	OCSB	
	2021	2020
	RM	RM
<u>At 31 March</u>		
Non-current assets	7,112,182	10,085,474
Current assets	39,732,708	24,801,014
Non-current liability	(1,317,900)	-
Current liabilities	(21,453,708)	(12,461,627)
Net assets	24,073,282	22,424,861
<u>Financial Year Ended 31 March</u>		
Revenue	47,408,207	23,534,089
Profit/(Loss) for the financial year	1,648,421	(6,763,738)
Total comprehensive income/(expense)	1,648,421	(6,763,738)
Total comprehensive income/(expense) attributable to non-controlling interests	494,527	(2,029,121)
Net cash flows from operating activities	93,804	4,263,835
Net cash flows from investing activities	146,802	241,418
Net cash flows used in financing activities	(1,345,199)	(1,416,000)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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6. INVESTMENTS IN ASSOCIATES

	The Group	
	2021	2020
	RM	RM
Unquoted shares, at cost	12,912,051	12,912,051
Share of post-acquisition reserves, net of dividend received	2,941,624	2,331,470
Foreign currency translation differences	3,476,068	4,152,797
	19,329,743	19,396,318

The details of the associates are as follows:-

Name of Associate	Principal Place of Business	Percentage of Ownership		Principal Activities
		2021	2020	
		%	%	
<i>Associates of UCSB</i>				
Unigel IP Limited	Hong Kong	40	40	Provision of licensing services for intellectual property rights.
Unigel (UK) Limited ("Unigel (UK)")	United Kingdom	40	40	Manufacture and sale of cable filling and flooding compounds and associated pumping and delivery equipment.
<i>Subsidiary of Unigel (UK)</i>				
Unigel Incorporated	United States of America	100	100	Manufacture of thixotropic gel.

- (a) The financial year end of the associates is 31 December. In applying the equity method of accounting, the 12-month financial statements of the associates for the financial period ended 31 March 2021 have been used.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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6. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) The summarised financial information for associate that is material to the Group is as follows:-

	Unigel (UK)	
	2021	2020
	RM	RM
<u>At 31 March</u>		
Non-current assets	8,562,269	8,620,296
Current assets	20,474,153	20,063,177
Current liabilities	(16,911,149)	(18,414,427)
Net assets	12,125,273	10,269,046
<u>12-month Period Ended 31 March</u>		
Revenue	56,623,100	55,721,504
Profit for the financial year	2,127,855	557,596
Other comprehensive (expense)/income	(556,100)	215,048
Total comprehensive income	1,571,755	772,644
Group's share of profit for the financial year	628,702	309,058
Group's share of other comprehensive (expense)/income	(222,440)	86,019
Dividend received	218,207	211,823
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	4,850,109	4,107,618
Goodwill	14,185,604	15,192,665
Carrying amount of the Group's interests in this associate	19,035,713	19,300,283

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2020 RM	Additions RM	Transfer RM	Write off (Note 26) RM	Impairment Loss (Note 26) RM	Foreign Currency Differences RM	Depreciation Charges (Note 26) RM	At 31.3.2021 RM
<i>Carrying Amount</i>								
Buildings	10,178,279	113,925	2,565,363	-	-	-	(343,516)	12,514,051
Computer equipment	200,741	45,909	-	(1,163)	-	(947)	(100,331)	144,209
Furniture, fixtures and fittings	310,545	-	-	-	-	(2,550)	(43,304)	264,691
Motor vehicles	47,426	-	-	-	-	(589)	(46,819)	18
Office equipment	156,939	15,011	-	-	-	(715)	(41,933)	129,302
Plant and machinery	13,508,496	23,474	-	(5,469)	(2,895,362)	(195,945)	(1,504,372)	8,930,822
Renovations	99,394	-	-	-	-	-	(39,720)	59,674
Tools and equipment	245,203	-	-	-	-	(9,079)	(52,058)	184,066
Construction in progress	2,565,363	-	(2,565,363)	-	-	-	-	-
Capital work in progress	-	2,189,192	-	-	-	(14,325)	-	2,174,867
	27,312,386	2,387,511	-	(6,632)	(2,895,362)	(224,150)	(2,172,053)	24,401,700

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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

The Group	At	Additions	Disposals	Write off	Impairment	Foreign	Depreciation	At
	1.4.2019							RM
	RM	RM	RM	RM	Losses	Translacion	(Note 26)	RM
<i>Carrying Amount</i>								
Buildings	10,482,224	-	-	-	-	-	(303,945)	10,178,279
Computer equipment	305,960	26,200	(486)	(19)	(11,185)	2,196	(121,925)	200,741
Furniture, fixtures and fittings	375,754	-	-	(63)	(25,762)	4,308	(43,692)	310,545
Motor vehicles	141,928	-	(23,593)	-	(7,326)	1,581	(65,164)	47,426
Office equipment	164,903	46,294	(5,333)	(1,012)	(7,887)	1,281	(41,307)	156,939
Plant and machinery	17,431,577	47,660	(348)	-	(2,069,147)	265,474	(2,166,720)	13,508,496
Renovations	140,584	1,380	-	-	-	-	(42,570)	99,394
Tools and equipment	378,098	1,300	-	-	(97,979)	15,720	(51,936)	245,203
Construction in progress	2,443,586	121,777	-	-	-	-	-	2,565,363
	31,864,614	244,611	(29,760)	(1,094)	(2,219,286)	290,560	(2,837,259)	27,312,386

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Impairment Losses RM	Accumulated Depreciation RM	Carrying Amount RM
2021				
Buildings	17,876,462	-	(5,362,411)	12,514,051
Computer equipment	1,104,143	(11,135)	(948,799)	144,209
Furniture, fixtures and fittings	1,321,173	(25,646)	(1,030,836)	264,691
Motor vehicles	467,644	(7,292)	(460,334)	18
Office equipment	686,664	(7,852)	(549,510)	129,302
Plant and machinery	56,005,838	(4,955,214)	(42,119,802)	8,930,822
Renovations	1,994,994	-	(1,935,320)	59,674
Tools and equipment	530,979	(97,539)	(249,374)	184,066
Capital work in progress	2,174,867	-	-	2,174,867
	82,162,764	(5,104,678)	(52,656,386)	24,401,700
2020				
Buildings	15,197,174	-	(5,018,895)	10,178,279
Computer equipment	1,092,525	(11,584)	(880,200)	200,741
Furniture, fixtures and fittings	1,328,804	(26,679)	(991,580)	310,545
Motor vehicles	472,629	(7,586)	(417,617)	47,426
Office equipment	675,185	(8,168)	(510,078)	156,939
Plant and machinery	56,614,027	(2,142,822)	(40,962,709)	13,508,496
Renovations	1,994,994	-	(1,895,600)	99,394
Tools and equipment	551,715	(101,468)	(205,044)	245,203
Construction in progress	2,565,363	-	-	2,565,363
	80,492,416	(2,298,307)	(50,881,723)	27,312,386

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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

The Company	At 1.4.2020 RM	Additions RM	Write off (Note 26) RM	Depreciation Charges (Note 26) RM	At 31.3.2021 RM
2021					
<i>Carrying Amount</i>					
Computer equipment	69,943	16,174	(1,162)	(32,118)	52,837
Furniture, fixtures and fittings	23,459	-	-	(5,226)	18,233
Office equipment	49,279	702	-	(9,865)	40,116
Renovations	83,634	-	-	(28,094)	55,540
Tools and equipment	1,983	-	-	(248)	1,735
	228,298	16,876	(1,162)	(75,551)	168,461

The Company	At 1.4.2019 RM	Additions RM	Disposal RM	Write off (Note 26) RM	Depreciation Charges (Note 26) RM	At 31.3.2020 RM
2020						
<i>Carrying Amount</i>						
Computer equipment	87,530	21,913	(486)	(19)	(38,995)	69,943
Furniture, fixtures and fittings	28,845	-	-	(63)	(5,323)	23,459
Office equipment	59,166	1,499	-	(1,012)	(10,374)	49,279
Renovations	112,525	-	-	-	(28,891)	83,634
Tools and equipment	1,041	1,180	-	-	(238)	1,983
	289,107	24,592	(486)	(1,094)	(83,821)	228,298

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
cont'd

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

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Computer equipment	266,970	(214,133)	52,837
Furniture, fixtures and fittings	471,999	(453,766)	18,233
Office equipment	268,426	(228,310)	40,116
Renovations	405,438	(349,898)	55,540
Tools and equipment	16,204	(14,469)	1,735
	1,429,037	(1,260,576)	168,461
2020			
Computer equipment	270,550	(200,607)	69,943
Furniture, fixtures and fittings	471,999	(448,540)	23,459
Office equipment	267,724	(218,445)	49,279
Renovations	405,438	(321,804)	83,634
Tools and equipment	16,204	(14,221)	1,983
	1,431,915	(1,203,617)	228,298

The Group has carried out a review of the recoverable amount of its plant and equipment. An impairment loss of RM2,895,362 (2020 - RM2,219,286) representing the write down of the plant and equipment to the recoverable amount was recognised in "Other Expenses" line item of the consolidated statement of profit or loss and other comprehensive income. The recoverable amount was based on its value in use and the pre-tax discount rate used was 16% (2020 - 13%).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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8. INVESTMENT PROPERTIES

	The Company	
	2021 RM	2020 RM
Cost:-		
At 1 April 2020/2019	17,762,537	17,640,760
Additions	113,925	121,777
At 31 March	17,876,462	17,762,537
Accumulated depreciation:-		
At 1 April 2020/2019	5,018,895	4,714,950
Depreciation during the financial year (Note 26)	343,516	303,945
At 31 March	5,362,411	5,018,895
	12,514,051	12,743,642
Included in the above are:-		
Buildings	12,514,051	10,178,279
Building under construction	-	2,565,363
	12,514,051	12,743,642
Fair value	48,710,000	48,710,000

- (a) The investment properties of the Company are leased to subsidiaries, related parties and a third-party customer under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1.5 to 30 years and an option that is exercisable by the subsidiaries to extend their leases for 1 to 5 years.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Company	
	2021 RM	2020 RM
Within 1 year	2,389,947	2,351,152
Between 1 and 2 years	2,068,872	55,947
Between 2 and 3 years	580,872	46,872
Between 3 and 4 years	580,872	46,872
Between 4 and 5 years	46,872	46,872
Later than 5 years	609,336	656,208
	6,276,771	3,203,923

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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8. INVESTMENT PROPERTIES (CONT'D)

(b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

9. RIGHT-OF-USE ASSETS

The Group	At 1.4.2020 RM	Addition RM	Depreciation Charges (Note 26) RM	Foreign Currency Translation Differences RM	At 31.3.2021 RM
2021					
<i>Carrying Amount</i>					
Long-term leasehold land	12,292,112	-	(223,500)	-	12,068,612
Warehouse and office	21,258	57,491	(28,444)	-	50,305
Motor vehicle	57,503	-	(55,630)	(1,863)	10
	12,370,873	57,491	(307,574)	(1,863)	12,118,927

The Group	At 1.4.2019 RM	Depreciation Charges (Note 26) RM	Impairment Loss (Note 26) RM	Foreign Currency Translation Differences RM	At 31.3.2020 RM
2020					
<i>Carrying Amount</i>					
Long-term leasehold land	12,515,612	(223,500)	-	-	12,292,112
Warehouse and office	49,607	(28,349)	-	-	21,258
Motor vehicle	135,092	(59,026)	(23,180)	4,617	57,503
	12,700,311	(310,875)	(23,180)	4,617	12,370,873

	2021 RM	2020 RM
Analysed by:-		
Cost	14,711,986	14,666,329
Accumulated depreciation	(2,569,988)	(2,271,454)
Accumulated impairment losses	(23,071)	(24,002)
	12,118,927	12,370,873

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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9. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases a piece of leasehold land, warehouse and office and motor vehicle of which the leasing activities are summarised below:-
- (i) Long-term leasehold land The Group has entered into non-cancellable operating lease agreement for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreement. The lease does not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.
- (ii) Warehouse and office The Group has leased a warehouse and office for a period of 2 years with an option to renew the lease for one year after that date. The Group is not allowed to sublease the warehouse and office.
- (iii) Motor vehicle The Group has leased its motor vehicle under hire purchase arrangement. The lease is secured by the leased asset.
- (b) The Group has carried out a review of the recoverable amount of its right-of-use assets. No impairment loss is made for the current financial year whilst an impairment loss of RM23,180 representing the write-down of the right-of-use assets to the recoverable amount was recognised in "Other Expenses" line item of the consolidated statement of profit or loss and other comprehensive income for the previous financial year. The recoverable amount was based on its value in use and the pre-tax discount rate used was 16% (2020 - 13%).

	At 1.4.2020 RM	Depreciation Charges (Note 26) RM	At 31.3.2021 RM
The Company			
2021			
<i>Carrying Amount</i>			
Long-term leasehold land	12,292,112	(223,500)	12,068,612

	At 1.4.2019 RM	Depreciation Charges (Note 26) RM	At 31.3.2020 RM
The Company			
2020			
<i>Carrying Amount</i>			
Long-term leasehold land	12,515,612	(223,500)	12,292,112

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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9. RIGHT-OF-USE ASSETS (CONT'D)

	2021	2020
	RM	RM
Analysed by:-		
Cost	14,304,000	14,304,000
Accumulated depreciation	(2,235,388)	(2,011,888)
	12,068,612	12,292,112

10. DEFERRED TAX ASSET/(LIABILITIES)

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<i>Deferred Tax Asset</i>				
At 1 April 2020/2019	-	-	-	-
Recognised in profit or loss (Note 27)	55,019	-	-	-
At 31 March	55,019	-	-	-
<i>Deferred Tax Liabilities</i>				
At 1 April 2020/2019	(447,160)	(690,354)	(514,662)	(594,114)
Recognised in profit or loss (Note 27)	94,256	249,322	110,307	79,452
Foreign currency translation differences	2,421	(6,128)	-	-
At 31 March	(350,483)	(447,160)	(404,355)	(514,662)
Net	(295,464)	(447,160)	(404,355)	(514,662)
The deferred tax asset/(liabilities) are in respect of the following:				
Plant and equipment	(725,269)	(761,285)	(404,355)	(514,662)
Provision	429,805	314,125	-	-
	(295,464)	(447,160)	(404,355)	(514,662)

Notes to the Financial Statements

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11. INVENTORIES

	The Group	
	2021	2020
	RM	RM
At cost:-		
Raw materials	6,316,695	8,333,355
Work-in-progress	135,344	484,497
Finished goods	7,485,949	4,239,146
	13,937,988	13,056,998
Recognised in profit or loss:-		
Inventories recognised as cost of sales	44,179,808	36,154,535
Amount written down/(reversal) to net realisable value (Note 26)	1,432,365	(15,883)

12. TRADE RECEIVABLES

	The Group	
	2021	2020
	RM	RM
Trade receivables	20,116,359	4,942,655
Allowance for impairment losses	(888,381)	(1,310,861)
	19,227,978	3,631,794
Impairment loss:-		
At 1 April 2020/2019	1,310,861	-
Addition during the financial year (Note 26)	-	1,310,861
Reversal during the financial year (Note 26)	(422,480)	-
At 31 March	888,381	1,310,861

The Group's normal trade credit terms range from 30 to 120 (2020 - 30 to 120) days.

Notes to the Financial Statements

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13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other receivables	126,194	246,865	86,383	22,680
Deposits	112,009	112,509	112,009	112,509
Prepayments	792,383	833,645	91,388	94,047
Goods and services tax recoverable	-	174,843	-	4,274
	1,030,586	1,367,862	289,780	233,510

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries, which arose mainly from rental of premises receivable, management fee receivable and payments made on behalf, are unsecured, interest-free and receivable/(repayable) on demand.

15. AMOUNT OWING BY ASSOCIATES

The amount owing by associates, which is denominated in United States Dollar, arose mainly from trade transactions, is unsecured, bears interest at 4.5% (2020 - 4.5%) per annum and repayable on demand.

16. AMOUNTS OWING BY/(TO) RELATED PARTIES

In the previous financial year, the amounts owing by/(to) related parties, which arose mainly from trade transactions and payments made on behalf, were unsecured, interest-free and repayable on demand.

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.09% to 1.80% (2020 - 2.45% to 3.60%) per annum and 1.50% (2020 - 2.70%) per annum respectively. The fixed deposits have maturity periods ranging from 2 to 90 (2020 - 30 to 90) days and 30 (2020 - 30) days for the Group and the Company respectively.

18. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	Number of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares	161,249,937	161,249,937	32,249,987	32,249,987

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

Notes to the Financial Statements

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19. RESERVES

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-distributable:-				
Capital reserve	3,283	3,283	-	-
Translation reserve (a)	2,960,558	4,246,074	-	-
Distributable:-				
Retained profits	48,711,608	46,124,027	14,639,831	14,411,709
	51,675,449	50,373,384	14,639,831	14,411,709

(a) Translation Reserve

The translation reserve arose from the translation of the financial statements of a subsidiary whose functional currency is different from the Group's presentation currency.

20. LEASE LIABILITIES

	The Group	
	2021	2020
	RM	RM
At 1 April 2020/2019	22,057	71,333
Addition	57,491	-
Interest expense recognised in profit or loss (Note 26)	1,036	4,217
Covid-19-related rent concessions received	(500)	-
Repayment of principal	(28,464)	(49,692)
Repayment of interest expense	(1,036)	(4,217)
Foreign currency translation differences	-	416
At 31 March	50,584	22,057
	2021	2020
	RM	RM
Analysed by:-		
Current liabilities	28,418	22,057
Non-current liability	22,166	-
	50,584	22,057

Notes to the Financial Statements

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21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2020 - 30 to 90) days.

22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other payables	5,784,748	1,525,938	191,449	122,519
Accruals	1,806,391	1,242,921	202,192	245,352
	7,591,139	2,768,859	393,641	367,871

23. AMOUNT OWING TO A CORPORATE SHAREHOLDER OF A SUBSIDIARY

	The Group	
	2021	2020
	RM	RM
Trade balance	14,926	15,480
Dividend payable	8,048,134	8,048,134
	8,063,060	8,063,614

The amount owing to a corporate shareholder of a subsidiary, which arose mainly from dividend payable, is unsecured and interest-free.

24. BANK BORROWINGS

- (a) The bank borrowings of the Group relate to foreign currency trade financing bank facilities which secured by corporate guarantee from the Company and a negative pledge.
- (b) The weighted average effective interest rate of the bank borrowings of the Group at the end of the reporting period is 1.82% (2020 - 2.82%) per annum.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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25. REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sale of cables	36,455,181	13,206,418	-	-
Sale of accessories	4,685,779	4,660,965	-	-
Sales of oil based industrial materials	777,163	913,388	-	-
Sales of thixotropic gel	17,395,585	19,200,458	-	-
Other services income	5,664,446	4,666,343	-	-
	64,978,154	42,647,572	-	-
<u>Recognised over time</u>				
Engineering services income	1,887,049	1,669,586	-	-
Revenue from Other Sources				
Rental income from related parties	67,485	86,955	67,485	86,955
Rental income from subsidiaries	-	-	2,079,700	2,244,000
Rental income from a third party	61,502	46,872	61,502	46,872
Dividend income from subsidiaries	-	-	404,000	370,000
	66,994,190	44,450,985	2,612,687	2,747,827

The other information on the disaggregation of revenue by geographical market is disclosed in Note 32 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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26. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees				
- current financial year	170,000	170,000	48,000	48,000
- overprovision in the previous financial year	-	(48,400)	-	-
- non-audit fees	5,000	30,000	5,000	10,000
Depreciation:				
- investment properties (Note 8)	-	-	343,516	303,945
- property, plant and equipment (Note 7)	2,172,053	2,837,259	75,551	83,821
- right-of-use assets (Note 9)	307,574	310,875	223,500	223,500
Directors' remunerations (Note 30)	1,313,630	1,882,982	317,757	306,000
Impairment loss/(Reversal of impairment loss):				
- plant and equipment (Note 7)	2,895,362	2,219,286	-	-
- right-of-use assets (Note 9)	-	23,180	-	-
- trade receivables (Note 12)	(422,480)	1,310,861	-	-
Interest expense on bank borrowings	16,829	116,579	-	-
Interest expense on lease liabilities (Note 20)	1,036	4,217	-	-
Plant and equipment written off (Note 7)	6,632	1,094	1,162	1,094
Rental of machines	247,000	360,000	-	-
Inventories written down/(Reversal of inventories written down) (Note 11)	1,432,365	(15,883)	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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26. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting) (Cont'd):-				
Staff costs (including other key management personnel as disclosed in Note 30)				
- salaries	4,581,471	3,914,020	-	-
- defined contribution benefits	552,440	527,649	-	-
- others	943,056	1,011,510	848	5,030
Dividend income from subsidiaries	-	-	(404,000)	(370,000)
Gain on disposal of plant and equipment	(20,625)	(42,460)	-	-
(Gain)/Loss on foreign exchange:				
- realised	(265,728)	(325,996)	-	-
- unrealised	(164,582)	116,144	-	-
Total interest income on financial assets measured at amortised cost	(356,688)	(591,117)	(34,752)	(13,247)
Covid-19 related rent concessions	(500)	-	-	-

27. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current tax expense:				
- for the financial year	438,621	179,060	8,338	111,301
- overprovision in the previous financial year	(63,775)	(148,721)	(37,300)	(149,179)
	374,846	30,339	(28,962)	(37,878)
Deferred tax asset/(liabilities) (Note 10):				
- origination and reversal of temporary differences	39,140	(118,202)	73,546	21,104
- overprovision in the previous financial year	(188,415)	(131,120)	(183,853)	(100,556)
	(149,275)	(249,322)	(110,307)	(79,452)
	225,571	(218,983)	(139,269)	(117,330)

Notes to the Financial Statements

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cont'd

27. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit/(Loss) before taxation	3,387,679	(10,077,812)	88,853	178,210
Tax at the statutory tax rate of 24%	813,043	(2,418,675)	21,325	42,770
Tax effects of:-				
Share of results in associates	(268,600)	(151,420)	-	-
Non-deductible expenses	277,419	277,900	157,519	178,435
Non-taxable income	-	-	(96,960)	(88,800)
Deferred tax assets not recognised during the financial year	-	2,353,053	-	-
Utilisation of deferred tax assets previously not recognised	(344,101)	-	-	-
Overprovision in the previous financial year:				
- current taxation	(63,775)	(148,721)	(37,300)	(149,179)
- deferred taxation	(188,415)	(131,120)	(183,853)	(100,556)
	225,571	(218,983)	(139,269)	(117,330)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

No deferred tax assets recognised in respect of the following items as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised:

	The Group	
	2021	2020
	RM	RM
Accelerated capital allowances over depreciation	(5,124,000)	(8,321,000)
Unabsorbed capital allowances	6,800,000	12,772,000
Unutilised tax losses	14,285,000	14,285,000
Other deductible differences	3,959,000	2,619,000
	19,920,000	21,355,000

The unutilised tax losses are allowed to be utilised for 7 consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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28. EARNINGS/(LOSS) PER SHARE

	The Group	
	2021	2020
Profit/(Loss) attributable to owners of the Company (RM)	2,587,581	(7,896,171)
Weighted average number of ordinary shares in issue	161,249,937	161,249,937
Basic earnings/(loss) per share (Sen)	1.60	(4.90)

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

29. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bank Borrowings RM	Lease Liabilities RM	Total RM
2021			
At 1 April 2020	2,312,136	22,057	2,334,193
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	1,825,969	-	1,825,969
Repayment of principal	(2,913,520)	(28,464)	(2,941,984)
Repayment of interests	(16,829)	(1,036)	(17,865)
	(1,104,380)	(29,500)	(1,133,880)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss (Note 26)	16,829	1,036	17,865
Acquisition of new leases	-	57,491	57,491
Covid-19-related rent concession	-	(500)	(500)
Foreign currency translation differences	(82,409)	-	(82,409)
	(65,580)	58,027	(7,553)
At 31 March	1,142,176	50,584	1,192,760

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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29. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Bank Borrowings RM	Lease Liabilities RM	Total RM
2020			
At 1 April 2019	2,407,989	71,333	2,479,322
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	10,598,768	-	10,598,768
Repayment of principal	(10,704,525)	(49,692)	(10,754,217)
Repayment of interests	(116,579)	(4,217)	(120,796)
	(222,336)	(53,909)	(276,245)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss (Note 26)	116,579	4,217	120,796
Foreign currency translation differences	9,904	416	10,320
	126,483	4,633	131,116
At 31 March	2,312,136	22,057	2,334,193

(b) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2021 RM	2020 RM
Interest paid on lease liabilities	1,036	4,217
Payment of lease liabilities	28,464	49,692
	29,500	53,909

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed deposits with licensed banks	16,962,527	9,403,647	3,707,847	302,201
Cash and bank balances	3,898,253	9,284,062	1,206,311	1,946,735
	20,860,780	18,687,709	4,914,158	2,248,936

Notes to the Financial Statements

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30. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follow:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	157,867	207,400	124,757	152,000
- salaries, bonuses and other benefits	193,505	289,692	193,000	154,000
	351,372	497,092	317,757	306,000
Defined contribution benefits	63	16,546	-	-
	351,435	513,638	317,757	306,000
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	98,708	152,958	-	-
- salaries, bonuses and other benefits	771,003	1,086,590	-	-
	869,711	1,239,548	-	-
Defined contribution benefits	92,484	129,796	-	-
	962,195	1,369,344	-	-
Total directors' remuneration (Note 26)	1,313,630	1,882,982	317,757	306,000
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	374,806	180,834	-	-
- defined contribution benefits	44,928	21,672	-	-
Total compensation for other key management personnel	419,734	202,506	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transaction and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with related parties during the financial year:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries:				
- Dividend income from	-	-	404,000	370,000
- Rental income from	-	-	2,079,700	2,244,000
- Administrative fee paid to	-	-	912,000	942,414
- Disposal of asset to	-	-	-	486
Associates:				
- Sales to	16,067,985	19,249,818	-	-
- Dividend income from	509,013	740,669	-	-
- Interest income from	122,079	255,721	-	-
- Other income from	2,705	25,588	-	-
- Purchases from	1,842,224	1,276,263	-	-
- Commission paid to	215,672	95,195	-	-
Related parties:				
- Rental income from	67,485	86,955	67,485	86,955
- Commission paid to	630,823	159,105	-	-
- Sales to	76,405	-	-	-
- Purchases from	691,575	457,221	-	-
- Rental paid to	205,000	360,000	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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32. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:

Reportable segments	Description
Manufacturing	Involved in the manufacturing of fiber optic cables, systems, accessories and thixotropic gel.
Trading and engineering services	Involved in trading of cable filling, flooding compounds and industrial products and provision of engineering services.
Others operations	Management services and investment holding.

- (a) The Group Executive Committee assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS

	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
2021				
Revenue				
External revenue	57,914,114	8,951,089	128,987	66,994,190
Inter-segment revenue	1,018,615	6,939,857	5,339,700	13,298,172
	58,932,729	15,890,946	5,468,687	80,292,362
Consolidation adjustments				(13,298,172)
Consolidated revenue				66,994,190
Results				
Segment profit	1,566,617	1,150,460	354,428	3,071,505
Finance costs				(16,829)
Share of profit of equity-accounted associates				1,119,167
Consolidation adjustments				(786,164)
Consolidated profit before taxation				3,387,679
Segment profit includes the followings:-				
Depreciation:				
- right-of-use assets	55,630	28,444	223,500	307,574
- property, plant and equipment	1,683,909	69,077	419,067	2,172,053
Impairment loss/(Reversal of impairment loss):				
- plant and equipment	2,895,362	-	-	2,895,362
- trade receivables	(422,480)	-	-	(422,480)
Interest expenses	16,398	1,467	-	17,865
Inventories written down	1,432,365	-	-	1,432,365
Plant and equipment written off	-	5,470	1,162	6,632
Covid-19-related rent concession	-	(500)	-	(500)
Gain on disposal of plant and equipment	(20,625)	-	-	(20,625)
(Gain)/Loss on foreign exchange:				
- realised	(271,528)	5,800	-	(265,728)
- unrealised	(164,582)	-	-	(164,582)
Interest income	(295,312)	(15,521)	(45,855)	(356,688)

Notes to the Financial Statements

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

				The Group RM
2021				
Assets				
Total segment asset				98,271,286
Unallocated assets:				
- investments in associates				19,329,743
- deferred tax asset				55,019
- current tax assets				531,958
Consolidated total assets				118,188,006
Liabilities				
Total segment liabilities				25,309,929
Unallocated liabilities:				
- deferred tax liabilities				350,483
- bank borrowings				1,142,176
- lease liabilities				50,584
Consolidated total liabilities				26,853,172
	Manufacturing	Trading and engineering services	Other operations	The Group
	RM	RM	RM	RM
2020				
Revenue				
External revenue	35,995,243	8,321,915	133,827	44,450,985
Inter-segment revenue	688,850	5,964,557	5,614,000	12,267,407
	36,684,093	14,286,472	5,747,827	56,718,392
Consolidation adjustments				(12,267,407)
Consolidated revenue				44,450,985

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing RM	Trading and engineering services RM	Other operations RM	The Group RM
2020 (Cont'd)				
Results				
Segment (loss)/profit	(9,966,208)	(170,350)	203,042	(9,933,516)
Finance costs				(118,201)
Share of profit of equity-accounted associates				630,915
Consolidation adjustments				(657,010)
Consolidated loss before taxation				<u>(10,077,812)</u>
Segment (loss)/profit includes the followings:-				
Depreciation:				
- right-of-use assets	59,026	28,349	223,500	310,875
- property, plant and equipment	2,344,133	105,360	387,766	2,837,259
Impairment loss:				
- right-of-use assets	21,796	1,384	-	23,180
- plant and equipment	2,086,816	132,470	-	2,219,286
- trade receivables	1,310,861	-	-	1,310,861
Interest expenses	111,621	9,175	-	120,796
Plant and equipment written off	-	-	1,094	1,094
Gain on disposal of plant and equipment	(25,500)	(16,960)	-	(42,460)
(Gain)/Loss on foreign exchange:				
- realised	(297,461)	(28,535)	-	(325,996)
- unrealised	114,644	1,500	-	116,144
Interest income	(551,449)	(15,138)	(24,530)	(591,117)
Reversal of inventory written down	(15,883)	-	-	(15,883)

Notes to the Financial Statements

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32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	The Group RM
2020	
Assets	
Total segment asset	87,214,729
Unallocated assets:	
- investments in associates	19,396,318
- current tax assets	896,975
Consolidated total assets	107,508,022
Liabilities	
Total segment liabilities	15,262,427
Unallocated liabilities:	
- deferred tax liabilities	447,160
- bank borrowings	2,312,136
- lease liabilities	22,057
Consolidated total liabilities	18,043,780

32.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2021 RM	2020 RM
Malaysia	48,838,460	24,349,716
United Kingdom	15,260,759	18,301,352
China	1,764,183	733,999
United States	729,671	1,053,247
Others	401,117	12,671
	66,994,190	44,450,985

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32. OPERATING SEGMENTS (CONT'D)

32.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group		Segment
	2021	2020	
	RM	RM	
Customer 1	30,670,719	7,446,941	Manufacturing
Customer 2	15,443,312	18,148,434	Manufacturing
Customer 3	5,664,446	4,666,343	Trading and engineering services

33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

33.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"), Euro ("EUR") and British Pound Sterling ("GBP"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

Notes to the Financial Statements

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar RM	Ringgit Malaysia RM	Others RM	Total RM
The Group				
2021				
<u>Financial Assets</u>				
Trade receivables	829,996	18,397,982	-	19,227,978
Other receivables	-	126,194	-	126,194
Amount owing by associates	6,693,327	-	-	6,693,327
Fixed deposits with licensed banks	2,404,680	14,557,847	-	16,962,527
Cash and bank balances	773,123	3,033,626	91,504	3,898,253
	10,701,126	36,115,649	91,504	46,908,279
<u>Financial Liabilities</u>				
Trade payables	6,616,475	2,825,764	-	9,442,239
Other payables and accruals	3,054,397	4,535,701	1,041	7,591,139
Amount owing to a corporate shareholder of a subsidiary	14,926	8,048,134	-	8,063,060
Bank borrowings	1,142,176	-	-	1,142,176
	10,827,974	15,409,599	1,041	26,238,614
Net financial (liability)/assets	(126,848)	20,706,050	90,463	20,669,665
Less: Net financial assets denominated in the respective entities' functional currencies	(5,138,067)	(22,295,062)	-	(27,433,129)
Currency Exposure	(5,264,915)	(1,589,012)	90,463	(6,763,464)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar RM	Ringgit Malaysia RM	Others RM	Total RM
The Group				
2020				
<u>Financial Assets</u>				
Trade receivables	481,102	3,150,692	-	3,631,794
Other receivables	108,778	138,087	-	246,865
Amount owing by associates	10,709,504	-	-	10,709,504
Amount owing by related parties	-	77,603	-	77,603
Fixed deposits with licensed banks	-	9,403,647	-	9,403,647
Cash and bank balances	696,144	8,500,319	87,599	9,284,062
	11,995,528	21,270,348	87,599	33,353,475
<u>Financial Liabilities</u>				
Trade payables	1,380,298	2,652,892	-	4,033,190
Other payables and accruals	460,227	2,308,632	-	2,768,859
Amount owing to related parties	6,066	390,698	-	396,764
Amount owing to a corporate shareholder of a subsidiary	15,480	8,048,134	-	8,063,614
Bank borrowings	2,312,136	-	-	2,312,136
	4,174,207	13,400,356	-	17,574,563
Net financial assets	7,821,321	7,869,992	87,599	15,778,912
Less: Net financial assets denominated in the respective entities' functional currencies	(8,730,309)	(9,255,633)	-	(17,985,942)
Currency Exposure	(908,988)	(1,385,641)	87,599	(2,207,030)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	2020
	RM	RM
Effects on Profit/(Loss) After Taxation		
USD/RM:-		
- strengthened by 5%	- 200,067	+ 34,542
- weakened by 5%	+ 200,067	- 34,542
RM/USD:-		
- strengthened by 5%	- 60,382	+ 52,654
- weakened by 5%	+ 60,382	- 52,654

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amount of the financial instrument at the end of the reporting period is disclosed in Note 24 to the financial statements.

Notes to the Financial Statements

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	2020
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 100 basis points	- 8,681	+ 17,572
Decrease of 100 basis points	+ 8,681	- 17,572

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables and amount owing by associates. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets including cash and bank balances, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from payment on behalf to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 85% of its trade receivables (including related parties) at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than a year are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables (including related parties) are summarised below:-

	Gross Amount	Individual Impairment	Collective Impairment	Carrying Amount
The Group	RM	RM	RM	RM
2021				
Current (not past due)	12,902,596	-	-	12,902,596
1 to 30 days past due	4,506,936	-	-	4,506,936
31 to 60 days past due	3,703,581	-	-	3,703,581
61 to 90 days past due	1,959,014	-	-	1,959,014
91 to 120 days past due	2,468,859	-	-	2,468,859
More than 120 days past due	347,665	-	-	347,665
Credit impaired	888,381	(888,381)	-	-
	26,777,032	(888,381)	-	25,888,651

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade receivables (Cont'd)

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2020				
Current (not past due)	8,916,048	-	-	8,916,048
1 to 30 days past due	1,436,517	-	-	1,436,517
31 to 60 days past due	2,127,818	-	-	2,127,818
61 to 90 days past due	986,896	-	-	986,896
91 to 120 days past due	1,010,622	(417,120)	-	593,502
More than 120 days past due	965,080	(893,741)	-	71,339
Credit impaired	27,423	-	-	27,423
	15,470,404	(1,310,861)	-	14,159,543

The movement in the loss allowances in respect of trade receivables is disclosed in Note 12 to the financial statements.

Other Receivables and Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers payment on behalf to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' payment on behalf when they are payable, the Company considers the payment on behalf to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's payment on behalf to be credit impaired when the subsidiary is unlikely to repay its payment on behalf in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these payment on behalf individually using internal information available.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 years
The Group	%	RM	RM	RM	RM
2021					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	9,442,239	9,442,239	9,442,239	-
Other payables and accruals	-	7,591,139	7,591,139	7,591,139	-
Amount due to a corporate shareholder of a subsidiary	-	8,063,060	8,063,060	8,063,060	-
Bank borrowings	1.82	1,142,176	1,162,964	1,162,964	-
		26,238,614	26,259,402	26,259,402	-
<u>Other Liability</u>					
Lease liabilities	4.50	50,584	52,500	30,000	22,500
		26,289,198	26,311,902	26,289,402	22,500

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021
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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Weighted Average Effective Interest Rate	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
	%			
2020				
<u>Non-derivative Financial Liabilities</u>				
Trade payables	-	4,033,190	4,033,190	4,033,190
Other payables and accruals	-	2,768,859	2,768,859	2,768,859
Amount due to related parties	-	396,764	396,764	396,764
Amount due to a corporate shareholder of a subsidiary	-	8,063,614	8,063,614	8,063,614
Bank borrowings	2.82	2,312,136	2,377,337	2,377,337
		17,574,563	17,639,764	17,639,764
<u>Other Liability</u>				
Lease liabilities	6.00	22,057	22,500	22,500
		17,596,620	17,662,264	17,662,264

Notes to the Financial Statements

For The Financial Year Ended 31 March 2021

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2021			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	393,641	393,641	393,641
Amount owing to subsidiaries	3,623,417	3,623,417	3,623,417
Corporate guarantee given to licensed banks to secure banking facilities granted to certain subsidiaries	11,204,748	11,204,748	11,204,748
	15,221,806	15,221,806	15,221,806
2020			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	367,871	367,871	367,871
Amount owing to subsidiaries	809,570	809,570	809,570
Corporate guarantee given to licensed banks to secure banking facilities granted to certain subsidiaries	12,069,002	12,069,002	12,069,002
Guarantee of obligations given to supplier for credit term granted to a subsidiary	465,028	465,028	465,028
	13,711,471	13,711,471	13,711,471

The Company is contingently liable to the extent of credit facilities utilised by the subsidiaries at the end of the reporting period. The corporate guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as total borrowings divided by total equity. The Group includes within total debts, loans and borrowings from financial institutions. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the financial year is as follows:-

	The Group	
	2021 RM	2020 RM
Bank borrowings (Note 24)	1,142,176	2,312,136
Total debts	1,142,176	2,312,136
Total equity	91,334,834	89,464,242
Debt-to-equity ratio	0.01	0.03

There was no change in the Group's approach to capital management during the financial year.

33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Asset				
<u>Amortised Cost</u>				
Trade receivables (Note 12)	19,227,978	3,631,794	-	-
Other receivables (Note 13)	126,194	246,865	86,383	22,680
Amount owing by subsidiaries	-	-	786,562	74,577
Amount owing by associates	6,693,327	10,709,504	-	-
Amount owing by related parties	-	77,603	-	73,419
Fixed deposits with licensed banks	16,962,527	9,403,647	3,707,847	302,201
Cash and bank balances	3,898,253	9,284,062	1,206,311	1,946,735
	46,908,279	33,353,475	5,787,103	2,419,612

Notes to the Financial Statements

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33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial Liability				
<u>Amortised Cost</u>				
Trade payables	9,442,239	4,033,190	-	-
Other payables and accruals (Note 22)	7,591,139	2,768,859	393,641	367,871
Amount owing to subsidiaries	-	-	3,623,417	809,570
Amount owing to related parties	-	396,764	-	-
Amount owing to a corporate shareholder of a subsidiary (Note 23)	8,063,060	8,063,614	-	-
Bank borrowings	1,142,176	2,312,136	-	-
	26,238,614	17,574,563	4,017,058	1,177,441

33.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Financial Asset				
<u>Amortised Cost</u>				
Net gains/(loss) recognised in profit or loss	779,168	(719,744)	34,752	13,247
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(16,829)	(116,579)	-	-

33.5 Fair Value information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

Notes to the Financial Statements

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34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

- (b) On 22 February 2021, the Company proposed to undertake a private placement of up to 16,124,900 new ordinary shares in the Company, representing not more than 10% of the total issued ordinary shares in the Company ("Proposed Private Placement") with the proposed utilisation of proceeds for future business projects/investments and working capital requirements.

35. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

- (a) On 2 April 2021, the Private Placement has been completed following the listing and quotation for 16,124,900 Placement Shares at an issue price of RM0.575 per share on the ACE Market of Bursa Securities.

- (b) On 18 June 2021, the Company proposed to undertake the following proposals:

- (i) private placement of up to 53,212,400 new ordinary shares in the Company, representing approximately 30% of the existing 177,374,837 issued ordinary shares in the Company ("Proposed Private Placement") with the proposed utilisation of proceeds for funding for existing and future contracts and working capital requirements.; and
- (ii) proposed establishment of an employees' share option scheme ("ESOS") involving up to 30% of the total number of issued shares of the Company for eligible directors and employees of the Company and its subsidiaries ("Proposed ESOS").

The listing application in relation the above proposals has been submitted to Bursa Securities on 29 June 2021.

- (c) On 14 July 2021, Bursa Securities has approved the listing and quotation of:

- (i) up to 53,212,400 new ordinary shares to be issued pursuant to the Proposed Private Placement; and
- (ii) such number of new ordinary shares representing approximately 30% of the total number of issued ordinary shares in the Company (excluding treasury shares) to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS.

List of Property

Location & Description	Existing Use	Tenure	Date of Valuation	Built Up Area	Age of Property	Net Book Value (RM'000)
No. 98721, Lot 331, Seksyen 15 Industrial Site Shah Alam, Shah Alam City District of Petaling and State of Selangor being land, factories and office buildings bearing the address of No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan	<ul style="list-style-type: none"> - Manufacturing blocks - Office building - Warehouses - Open storage yards - Car parks - Guardhouse 	99 years leasehold expiring on 18.04.2074	Land : 10.07.2012 Buildings : 16.05.2014	Land area : 29,450 sq. m. Built-up area : 15,282 sq. m.	Age of manufacturing blocks approximately 20 years and less Age of other buildings/structures: no more than 30 years	24,583

Analysis of Shareholdings

As at 31 July 2021

CLASS OF SHARES : ORDINARY SHARES
VOTING RIGHTS : ONE VOTE PER ORDINARY SHARE ON A POLL

DISTRIBUTION OF SHAREHOLDINGS

HOLDINGS	NO. OF HOLDERS	% OF HOLDERS	TOTAL HOLDINGS	% OF ISSUED SHARE CAPITAL
Less than 100	318	5.28	10,197	0.01
100 - 1,000	757	12.57	436,660	0.25
1,001 - 10,000	3,023	50.22	16,993,652	9.58
10,001 - 100,000	1,689	28.06	54,460,153	30.70
100,001 to less than 5% of issued shares	232	3.85	94,579,775	53.32
5% and above of issued shares	1	0.02	10,894,400	6.14
TOTAL	6,020	100.00	177,374,837	100.00

THIRTY LARGEST SHAREHOLDERS

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG	10,894,400	6.14
2.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (MY3918)	8,200,000	4.62
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SAW NEE	3,300,000	1.86
4.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI YOUK LAN	2,910,100	1.64
5.	CRYSTAL KOH WEN SING	2,200,000	1.24
6.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR RONNY NG	2,100,000	1.18
7.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAN KOK ANG (MY2061)	2,000,000	1.13
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG	1,756,000	0.99
9.	NG KONG WAN	1,700,000	0.96
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAN EE LIN	1,617,100	0.91
11.	CHEONG SOK YIN	1,500,000	0.85
12.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VO NGHIA HUU	1,350,000	0.76
13.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG WENG TEONG	1,300,000	0.73
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	1,200,000	0.68

Analysis of Shareholdings

As at 31 July 2021

cont'd

THIRTY LARGEST SHAREHOLDERS (CONT'D)

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
15.	LIM KIEN HUA	1,106,500	0.62
16.	LEW SIEW TING	1,029,200	0.58
17.	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG AIIMAN QUANTUM FUND	907,000	0.51
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR AFFIN HWANG EQUITY FUND (930090)	903,500	0.51
19.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG LEE CHUAN	888,000	0.50
20.	LIM CHEE LIP	850,000	0.48
21.	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG AIIMAN BALANCED FUND	847,600	0.48
22.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KAY CHUAN	820,000	0.46
23.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD AIIMAN ASSET MANAGEMENT SDN BHD FOR KERAJAAN NEGERI PERAK	816,600	0.46
24.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	800,000	0.45
25.	AU YONG MUN YUE	800,000	0.45
26.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR CRYSTAL KOH WEN SING	800,000	0.45
27.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA YUET YOONG (M&A)	800,000	0.45
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD AFFIN HWANG ASSET MANAGEMENT BERHAD FOR YAYASAN SABAH (270762)	774,700	0.44
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHORAKA CAPGROUP SDN BHD	750,000	0.42
30.	BONG SEA POH	700,000	0.39
	TOTAL	55,620,700	31.34

Analysis of Shareholdings

As at 31 July 2021
cont'd

SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

NAME	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
DATO' ONG CHOO MENG	19,094,400	10.77	–	–

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

NAME	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
DATO' MAZLIN BIN MD JUNID	–	–	–	–
ONG SOON LIM	–	–	–	–
TEH LI KING	–	–	–	–
MAGNUS KREUGER	–	–	–	–
SVEN JANNE SJÖDÉN	–	–	–	–
CHAN BEE LEAN	–	–	–	–

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of Opcom Holdings Berhad (“**OPCOM**” or “**the Company**”) will be conducted on a fully virtual basis through remote participation and electronic voting via online meeting platform provided by Mega Corporate Services Sdn. Bhd. on Wednesday, 29 September 2021 at 2.00 p.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | | |
|------|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2021 and the Reports of Directors and Auditors thereon. | Please refer to
Explanatory Note 1 |
| 2. | To approve the payment of Directors’ fees of RM124,757 for the financial year ended 31 March 2021. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ benefits to the Non-Executive Directors up to an amount of RM200,000 from 30 September 2021 until the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect Magnus Kreuger who retires pursuant to Article 90(1) of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. | To elect the following Directors who retire pursuant to Article 83 of the Company’s Constitution:- | |
| i. | Dato’ Mazlin Bin MD Junid | Ordinary Resolution 4 |
| ii. | Teh Li King | Ordinary Resolution 5 |
| iii. | Ong Soon Lim | Ordinary Resolution 6 |
| 6. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. | Ordinary Resolution 7 |

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- | | | |
|----|--|------------------------------|
| 7. | Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

“THAT subject always to the Companies Act 2016 (“ Act ”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 and Section 76 of the Act to issue not more than ten per centum (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorized to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.” | Ordinary Resolution 8 |
| 8. | To transact any other business for which due notice shall have been received. | |

BY ORDER OF THE BOARD

NG HENG HOOI (MAICSA 7048492) (SSM PC No. 202008002923)
WONG MEE KIAT (MAICSA 7058813) (SSM PC No. 202008001958)
 Company Secretaries

Date: 27 August 2021

Notice of Annual General Meeting

cont'd

Notes:

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. Shareholders who wish to participate the Twenty-Sixth Annual General Meeting ("**26th AGM**") will have to register via the link <https://vps.megacorp.com.my/RUGVnS>. Members are advised to refer to the Administrative Guide which is available on the Company's corporate website at www.opcom.com.my, for the remote participation access and electronic voting at the 26th AGM.
2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 23 September 2021 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the said meeting or appoint proxy or proxies to attend, speak and vote on his/her stead.
3. A member entitled to attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. All voting will be conducted by way of poll.
4. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
5.
 - i. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.
 - ii. Where a member of the Company is an exempt authorised nominee which holds ordinary shares 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 shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.OPCOM@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide to the Shareholders for further information.

Explanatory Notes:

1. Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("**Act**") does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

Notice of Annual General Meeting

cont'd

2. Ordinary Resolutions 1 and 2

Proposed payment of Directors' Fees

Proposed payment of Directors' Benefits to Non-Executive Directors

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

- Ordinary Resolution 1 on payment of Directors' fees in respect of the financial year ended 31 March 2021; and
- Ordinary Resolution 2 on payment of Directors' benefits from 30 September 2021 until the next AGM.

The Directors' benefits of the Company which is estimated not to exceed RM200,000 is basically the meeting allowances for Board/Board Committee meetings attended/to be attended for the period from 30 September 2021 until the conclusion of the next AGM.

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

Details of the Directors' fees and benefits paid to the Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2021.

3. Ordinary Resolution 8

Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the 26th Annual General Meeting ("AGM") of the Company.

The Company had been granted a general mandate by its shareholders at the 25th AGM of the Company on 29 September 2020 ("**Previous Mandate**"). As at the date of this Notice, the Company had utilised the Previous Mandate by issuing 16,124,900 new ordinary shares of RM0.5750 each pursuant to a Private Placement Exercise.

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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

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

Statement Accompanying Notice of Annual General Meeting

The profile of the Directors namely Dato' Mazlin Bin MD Junid, Teh Li King and Ong Soon Lim who are standing for election pursuant to Article 83 of the Constitution of the Company at the Twenty-Sixth Annual General Meeting are set out on page 14 to 19 of the 2021 Annual Report. The details of the Directors' interest in the securities of the Company are stated in the "Analysis of Shareholdings" section in the 2021 Annual Report.

Personal Data Protection Act 2010

Dear Valued Shareholders,

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

This Notice is given in connection with you being a shareholder of OPCOM HOLDINGS BERHAD (“**Company**”). The Personal Data Protection Act 2010 (“**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
 - d) Such other purposes as may be related to the foregoing.
4. The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.
5. Please refer to your stockbroker/investment bank where your CDS account is opened for any updates/changes of your personal information.
6. Your personal data may be disclosed by us in connection with the above Purposes, to all governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligation which is imposed on us and to our lawyers, auditors and/or service providers.
7. You are responsible for ensuring that the personal data you provide us is accurate, complete and not misleading and that such personal data is kept up to date.
8. If you fail to supply to us the abovementioned personal data, we may not be able to process your personal data for any of the Purposes.

PROXY FORM

OPCOM HOLDINGS BERHAD

Registration No. 199401036979 (322661-W)

Number of shares held	
CDS Account No.	

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in block)

of _____
(Address)

with email address _____ Mobile phone No. _____

being a member/members* of **OPCOM HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No. *	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or*

Full Name (in Block)	NRIC/Passport No. *	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Twenty-Sixth Annual General Meeting of the Company to be conducted on a fully virtual basis through remote participation and electronic voting via online meeting platform provided by Mega Corporate Services Sdn. Bhd. and to vote as indicated below:

NO.	RESOLUTIONS		
		FOR	AGAINST
ORDINARY BUSINESS			
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits		
3.	To re-elect Magnus Kreuger as Director		
4.	To elect Dato' Mazlin Bin MD Junid as Director		
5.	To elect Teh Li King as Director		
6.	To elect Ong Soon Lim as Director		
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company		
SPECIAL BUSINESS			
8.	To authorise the allotment and issuance of shares		

Please indicate with an "X" in the space above. 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.

* delete whichever is not applicable.

Dated: _____

Signature/Common Seal of Shareholder(s)

Notes:

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. Shareholders who wish to participate the Twenty-Sixth Annual General Meeting ("**26th AGM**") will have to register via the link <https://vps.megacorp.com.my/RUGVnS>. Members are advised to refer to the Administrative Guide which is available on the Company's corporate website at www.opcom.com.my, for the remote participation access and electronic voting at the 26th AGM.
2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 23 September 2021 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the said meeting or appoint proxy or proxies to attend, speak and vote on his/her stead.
3. A member entitled to attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. All voting will be conducted by way of poll.
4. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

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Affix
Stamp

OPCOM HOLDINGS BERHAD
Registration No. 199401036979 (322661-W)

Mega Corporate Services Sdn. Bhd.
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

2nd fold here

5.
 - i. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.
 - ii. Where a member of the Company is an exempt authorised nominee which holds ordinary shares 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 shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.OPCOM@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide to the Shareholders for further information.

www.opcom.com.my

OPCOM HOLDINGS BERHAD 199401036979 (322661-W)
11 Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel : +603 5519 5599