



OPCOM HOLDINGS BERHAD
199401036979 (322661-W)

SIMPLE SOLUTION Annual Report 2022
SMOOTH CONNECTION



SIMPLE SOLUTION SMOOTH CONNECTION

27TH

Annual General Meeting of **Opcom Holdings Berhad** will be conducted in a virtual manner through live streaming from the Conference Room of Opcom Holdings Berhad at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan on Thursday, 22 September 2022 at 10.00 a.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.



VALUES

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



SUPERIOR QUALITY

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



ATTITUDE

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



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.



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.



CHALLENGE

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Ong Soon Lim
Executive Director

Lim Kim Lee (f)
Independent
Non-Executive Director

Magnus Kreuger
Independent
Non-Executive Director

Teh Li King
Non-Independent
Non-Executive Director

AUDIT COMMITTEE

Chairperson

Lim Kim Lee (f)

Members

Dato' Mazlin Bin MD Junid
Magnus Kreuger

NOMINATING AND REMUNERATION COMMITTEE

Chairman

Magnus Kreuger

Members

Dato' Mazlin Bin MD Junid
Lim Kim Lee (f)

TENDER COMMITTEE

Chairman

Magnus Kreuger

Members

Ong Soon Lim
Lim Kim Lee (f)

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

Level 5, Tower 8,
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Federal Territory of 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

Baker Tilly Monteiro Heng PLT
Registration No. 201906000600
(LLP0019411-LCA) (AF0117)
Chartered Accountants
Baker Tilly Tower
Level 10 Tower 1
Avenue 5, Bangsar South City
59200 Kuala Lumpur
Federal Territory of Kuala Lumpur
Malaysia
Tel : 03 2297 1000
Fax : 03 2282 9980

PRINCIPAL BANKER

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

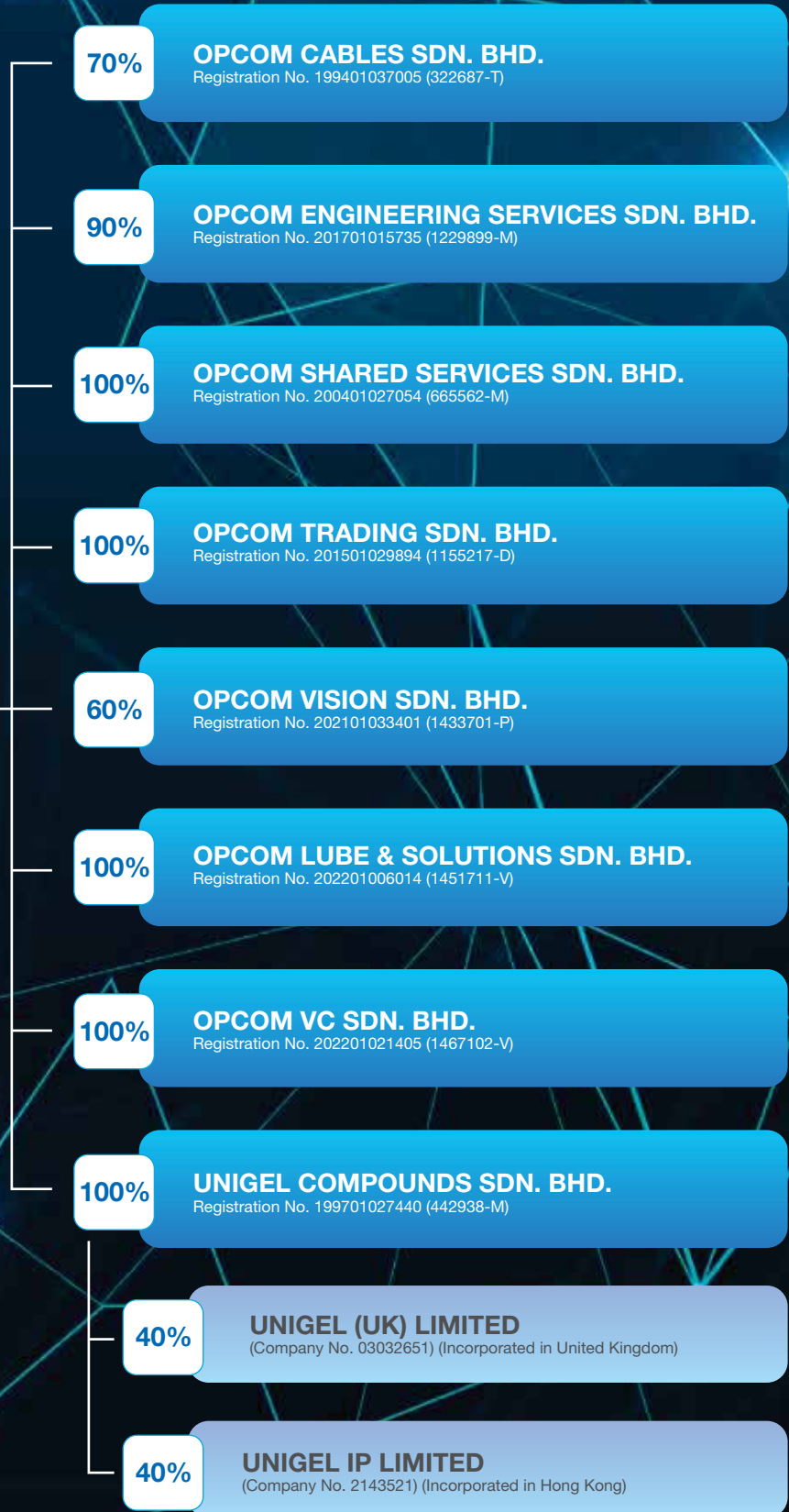
STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad
Stock Code: 0035

WEBSITE

www.opcom.com.my

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL TRACK RECORD

OPERATING RESULTS (RM MILLION)	2018	2019	2020	2021	2022
Revenue	103.87	74.58	44.45	66.99	87.17
Profit/(Loss) before tax	6.18	(1.03)	(10.08)	3.39	7.56
Profit/(Loss) attributable to owners of the Company	6.68	0.45	(7.90)	2.59	3.95

KEY FINANCIAL POSITION DATA (RM MILLION)

Property, plant and equipment	40.59	44.52	27.31 ¹	24.40	23.29
Total assets	129.33	115.86	107.51	118.19	181.66
Share capital	32.25	32.25	32.25	32.25	100.41
Shareholders' funds	88.19	88.63	82.62	83.93	158.05

SHARE INFORMATION PER SHARE (SEN)

Basic earnings/(loss)	4.15	0.28	(4.90)	1.60	1.79
Net dividend	2.00	1.25	-	-	-
Net assets	54.69	54.96	51.24	52.05	56.63

FINANCIAL RATIOS (%)

Return on total assets	4.20	(1.33)	(9.95)	2.72	3.81
Return on shareholders' equity	7.58	0.51	(9.56)	3.08	2.50

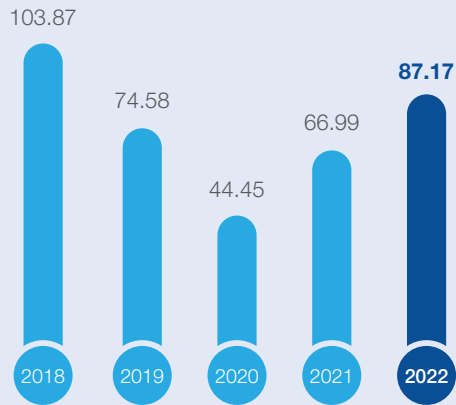
Note:

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

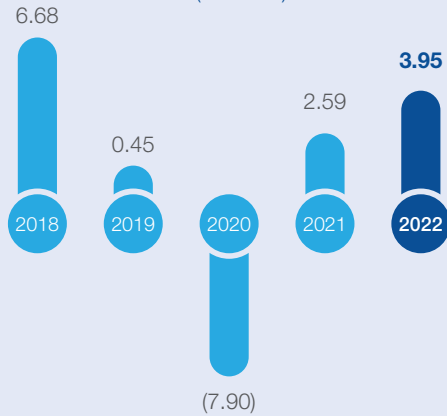
FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL TRACK RECORD
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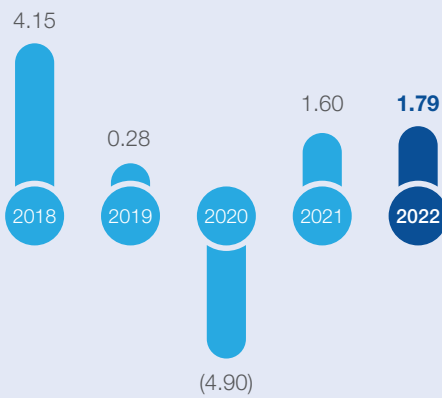
REVENUE (RM Million)



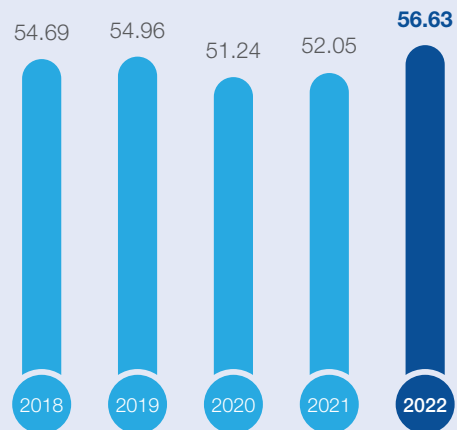
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM Million)



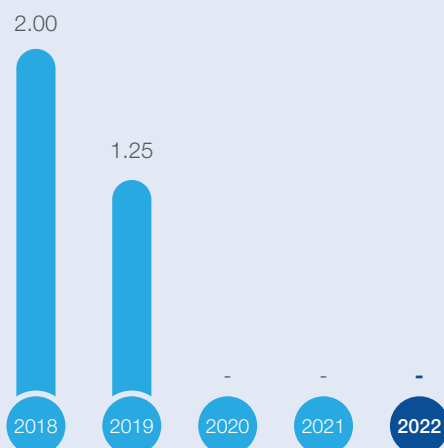
BASIC EARNINGS/(LOSS) PER SHARE (sen)



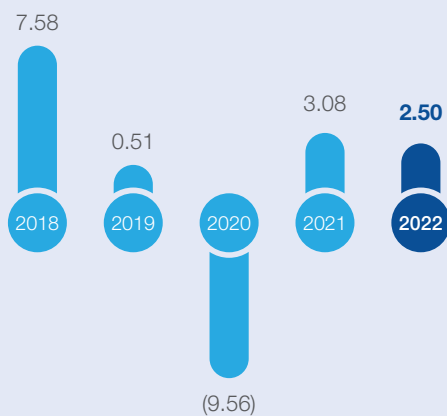
NET ASSETS PER SHARE (sen)



NET DIVIDEND PER SHARE (sen)



RETURN ON SHAREHOLDERS' EQUITY (%)



FINANCIAL CALENDAR

Extraordinary General Meeting

18
August
2021

Announcement of the
unaudited results for
the financial period
ended 30 June 2021

22
September
2021

26th
Annual General Meeting

29
September
2021



Announcement of the unaudited results for the financial period ended 30 September 2021



Announcement of the unaudited results for the financial period ended 31 December 2021



Announcement of the unaudited results for the financial period ended 31 March 2022

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, it is my pleasure to present you with the Annual Report and Audited Financial Statements of Opcom Holdings Berhad ("Opcom" or "the Group") for the financial year ended 31 March 2022 ("FYE 2022").

ECONOMIC ENVIRONMENT

2021 was a challenging financial year for most businesses with different Covid-19 variants, closures and lockdowns. In spite of all these, the Information and Communications Technology ("ICT") sector's growth was still the fastest growing sector in the Malaysian economy and have further accelerated due to multiple Movement Control Order and the National Recovery Plan.

The Malaysian economy managed to register a positive gross domestic product growth of 5.0% in the first quarter of 2022, mainly supported by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support from the Government. The services sector grew by 6.5% in the first quarter of 2022. Growth in the ICT subsector provided further support amid greater coverage of 4G services as well as sustained demand for data communications services, particularly for e-commerce and e-payment activities.

Broadband connectivity remains vital for working and studying from home as work-from-home culture became the new norm. The Government has demonstrated its focus toward preparing Malaysia to be a high-technology based economy through various initiatives and policies such as those set out in the 12th Malaysia Plan, the Malaysia Digital Economy Blueprint as well as JENDELA. This push toward digitalisation however would require improving the nation's 4G infrastructure and accelerating the roll-out of 5G.

BUSINESS OVERVIEW

Our business has resumed to normalcy as Malaysia transitions into the endemic phase of the Covid-19 outbreak.

Mirroring the economy recovery, our Group has successfully secured various contracts in FYE 2022 supplying fibre optic cabling systems and related infrastructure works to major telecommunication companies.

CHAIRMAN'S STATEMENT

Cont'd

BUSINESS OVERVIEW (CONT'D)

Furthermore, we have also embarked on the following initiatives to strengthen our Group's growth and cash flow position:



Fund Raising

- Raised total proceeds of RM32.4 million following the completion of two private placements by the issuance of new ordinary shares ("Private Placements")



Expansion

- Entered into a collaboration agreement to expand into 5G sector

In line with the Government's plan to expand the fibre network infrastructures in Malaysia, we had completed the Private Placement exercise in FYE 2022. We are actively identifying strategic and viable investment opportunities to meet our future growth plans. Announcements will be made when such acquisitions/investments have been identified and agreements have been approved by our Board or shareholders, whenever it applies.

FINANCIAL HIGHLIGHTS

With improvements in all our business segments, we recorded better financial performance for FYE 2022 as compared with financial year ended 31 March 2021 ("FYE 2021"). Our revenue increased by 30.1% from RM67.0 million for FYE 2021 to RM87.2 million for FYE 2022. Our profit after tax attributable to owners of the Company jumped from RM2.6 million for FYE 2021 to RM3.9 million for FYE 2022, which is a significant increase of 50.0% year-on-year.

For further insights into our financial and operational performance, please refer to our Management Discussion and Analysis section in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

We have always been committed to ensure that our business growth would be in line with our CSR's strategy in all aspect of our businesses, therefore we would continue to prioritise in building long-lasting and mutually beneficial relationships with our stakeholders.

We practice 3R on waste management, ensure that our workplace electricity usage is always on eco-mode as we care for the environment. We are also certified with ISO 14001:2015 Environmental Management System by SIRIM Malaysia.

Despite the challenging times, we are still trying to continue our norms to contribute to the society such as providing internship programmes to local university students, hosting fire drill practices with neighbouring companies and others. In addition, Malaysia had been facing serious flood problems in several states due to the continuous downpour late last year. Consequently our Group contributed monetary aid to our affected employees to alleviate their sufferings.

For more detailed insights into our sustainability commitment, please refer to our Sustainability Statement section in this Annual Report. We will continue to improve and enhance whenever it is applicable to ensure that we move in sync towards a sustainable future.

CHAIRMAN'S STATEMENT

Cont'd

CORPORATE GOVERNANCE

Corporate governance remains a key priority for us to enhance business prosperity and maximise shareholders' value. Hence, we fully support the principles and best practices as stipulated in the Malaysian Code of Corporate Governance and will continuously evaluate and update our Group's Corporate Governance practices and procedures, as and when necessary.

FUTURE PROSPECT

Although the pace of recovery is seen as relatively slow, the general outlook seems positive with expectations that the global economy will continue to improve. As our financial standings improved in FYE 2022, we can expect to craft a solid and sustainable future in the near future.

In expanding into 5G market, we are confident of making further progress in FYE 2023 as we believe that this 5G technology is the key driver of Malaysia's digital economy aspiration. To this end, we have collaborated with Global Forway Sdn Bhd in various activities or projects in relation to 5G technology and infrastructure. Opcom Vision Sdn Bhd has been set up as the special purpose vehicle to embark on this exciting journey.

At the same time, we will also invest into other businesses to increase our revenue streams and enhance shareholders' value. We expect our aforementioned expansion plans to contribute positively to our Group in FYE 2023.

We will continue our proactive efforts in mitigating any risks and issues that may arise and impact our businesses negatively.

DIVIDEND

Our Board aims to maintain a balanced approach between rewarding our shareholders and maintaining a strong cash position during this challenging period. Our Board did not recommend any dividend for FYE 2022 as we focus on directing our cash flow to sustain our Group's future growth.

Future dividend to be declared by our Group will be dependent on a number of factors, including our financial performance, capital expenditures requirement and cash flow position.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere appreciation to our management team and all Opcom employees for their dedication and commitment in ensuring our Group's resilience through this challenging times.

I would like to thank Dato' Mohamed Sharil Bin Mohamed Tarmizi, Mr. Sven Janne Sjöden and Ms. Chan Bee Lean, who have relinquished their roles as our Independent Non-Executive Chairman and Non-Independent Non-Executive Directors respectively, for their years of service and contributions to our Group.

Last but not least, my profound gratitude goes out to all distinguished external stakeholders, which include our customers, business partners, vendors, financiers and respective regulatory authorities. You have continued to stand by us firmly as we progress through this difficult period. With your undying support, we are able to flourish as a Group and will move towards long-term value creation. Hence, we look forward to your valuable contributions so that we are able to provide the returns expected of us, reliably and sustainably.

Thank you again and stay safe everyone.

Dato' Mazlin Bin Md Junid

Independent Non-Executive Chairman

22 July 2022

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Opcom Holdings Berhad (“**OPCOM**” or “**Company**”) and its group of companies (“**OPCOM Group**” or “**the Group**”) are committed to being the leading fibre optic manufacturer in Malaysia. We aim to build an affordable broadband infrastructure for all Malaysians. At the same time, we are also looking to venture into other businesses which support the long-term growth of our Group.

In the financial year ended 31 March 2022 (“**FYE 2022**”), we recorded revenue of RM87.2 million, representing an increase of 30.1% as compared to RM67.0 million recorded in FYE 2021. The sales of fibre optic cables and thixotropic gel accounted for 71.9% of our Group’s total revenue in FYE 2022.

OUR BUSINESS ACTIVITIES

Our fibre optic cables are sold mainly to telecommunications network operators and electrical utility providers. The demand for fibre optic cables increased in FYE 2022 mainly due to Government’s initiatives on the Jalanan Digital Negara (JENDELA) and 5G in Malaysia. The fibre optic cable market in Malaysia is expected to grow as the Government pushes toward digitalisation which will accelerate the roll-out of 5G. The global fibre optic cable market remains strong and is expected to grow further due to companies rearranging their operations and recovering from the Covid-19 impact. Nevertheless, the fibre optic cable market continues to be challenged by increased competition from foreign competitors.

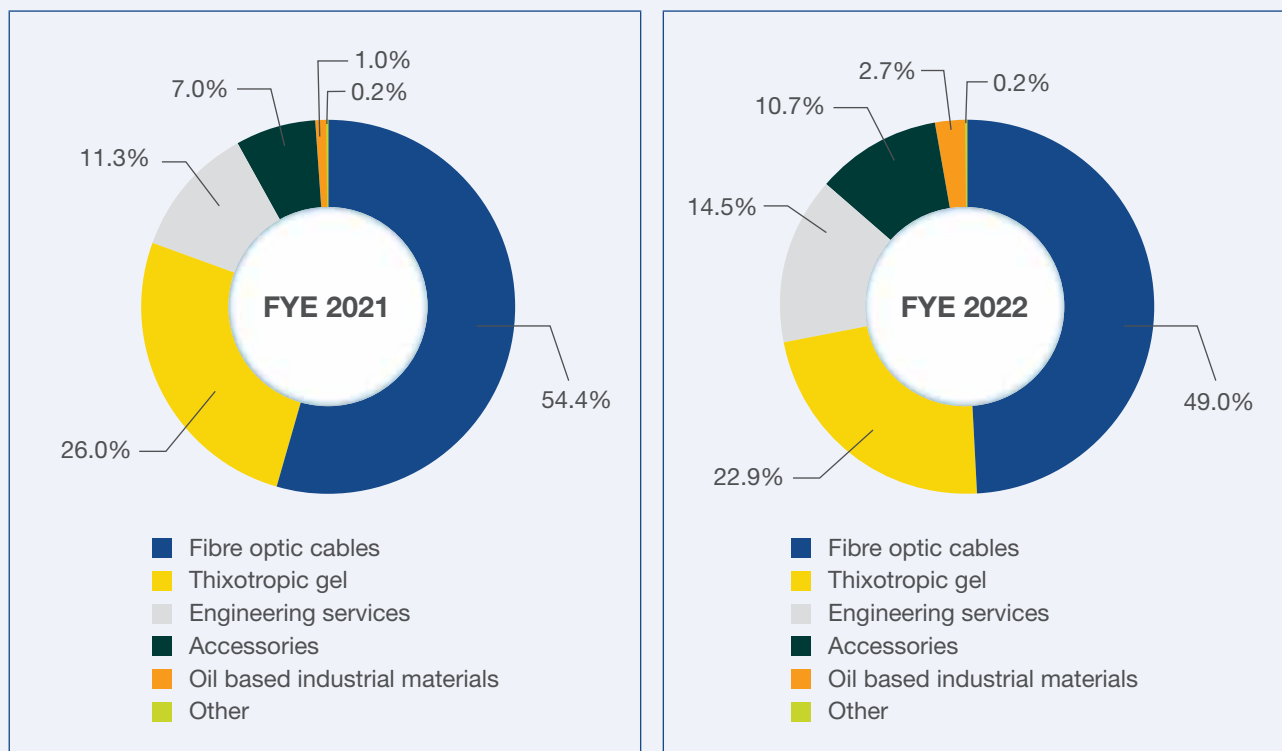
In our thixotropic gel manufacturing business, we are exporting gel to many countries worldwide. Our thixotropic gel is mainly supplied to fibre optic cable manufacturers and at a smaller scale to post tensioning construction companies.

As for our engineering services segment, we continued to provide our services to the telecommunications and power utilities industry, and act as distribution agent and solution provider for telecommunications products in Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

FINANCIAL PERFORMANCE



Revenue from fibre optic cables was our largest revenue contributor in FYE 2022, contributing revenue of RM42.7 million or 49.0% of our Group's total revenue. This was followed by revenue from the thixotropic gel of RM20.0 million or 22.9% of our Group's total revenue and revenue from engineering services of RM12.6 million or 14.5% of our Group's total revenue.

Overall, our Group's revenue increased by RM20.2 million or 30.1% from RM67.0 million in FYE 2021 to RM87.2 million in FYE 2022. The overall increase in revenue was mainly due to increased sales of fibre optic cables by RM6.2 million or 17.0% from RM36.5 million in FYE 2021 to RM42.7 million in FYE 2022, resulting from Government's initiatives on Jendela and 5G. Aside, the revenue from engineering services also increased by RM5.0 million or 65.8% from RM7.6 million in FYE 2021 to RM12.6 million in FYE 2022, mainly due to more demand for engineering services from service installers. Furthermore, revenue from sales of accessories also increased by RM4.6 million or 97.9% from RM4.7 million in FYE 2021 to RM9.3 million in FYE 2022.

In line with the increase in our revenue and better efficiency in procurement and inventory management, our Group's gross profit increased by RM3.8 million or 26.8% from RM14.2 million in FYE 2021 to RM18.0 million in FYE 2022. Our Group also recorded a higher profit before tax of RM4.2 million or 123.5% from RM3.4 million in FYE 2021 to RM7.6 million in FYE 2022. Accordingly, our profit after tax also increased by RM3.2 million or 100.0% from RM3.2 million in FYE 2021 to RM6.4 million in FYE 2022.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

FINANCIAL POSITION AND LIQUIDITY

	31 March 2021	31 March 2022	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	55,906	55,704	(202)	(0.4)
Current Assets	62,282	125,956	63,674	>100.0
Total Assets	118,188	181,660	63,472	53.7
Liabilities				
Non-current Liabilities	(373)	(734)	(361)	96.8
Current Liabilities	(26,480)	(13,168)	13,312	50.3
Total Liabilities	(26,853)	(13,902)	12,951	48.2
Net Assets ("NA") / Total Equity	91,335	167,758	76,423	83.7
NA per share attributable to owners of the Company (RM)	52.05	56.63		
Current ratio (times)	2.35	9.57		
Gearing ratio (times)	0.01	< 0.01		

Our Group's total assets increased by RM63.5 million or 53.7% from RM118.2 million as at 31 March 2021 to RM181.7 million as at 31 March 2022. The increase was mainly due to increase in our cash and cash equivalents as a result of (i) completion of our private placement exercises where we raised a total of RM31.8 million via issuance of 69,337,300 new ordinary shares in FYE 2022; and (ii) proceeds from the exercise of employees' share options amounting to RM33.0 million during FYE 2022.

Our Group's total liabilities decreased by RM13.0 million or 48.2% from RM26.9 million as at 31 March 2021 to RM13.9 million as at 31 March 2022. The decrease was mainly due to repayments to the corporate shareholder of a subsidiary company as well as repayments to payables during the year.

Overall, our Group closed the financial year with a healthy financial position, recording higher cash and cash equivalents of RM91.6 million (FYE 2021: RM20.9 million), current ratio of 9.57 times, and net assets of RM167.8 million with less than 0.01 times gearing ratio.

STATEMENT OF CASH FLOWS

	31 March 2021	31 March 2022	Variance	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	5,315	14,719	9,404	>100.0
Net cash (used in)/from investing activities	(2,010)	446	2,456	>100.0
Net cash (used in)/from financing activities	(1,140)	55,411	56,551	>100.0
Net increase in cash and cash equivalents	2,165	70,576	68,411	>100.0

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

Overall, our net increase in cash and cash equivalents of RM70.6 million as at 31 March 2022 was mainly attributed by:

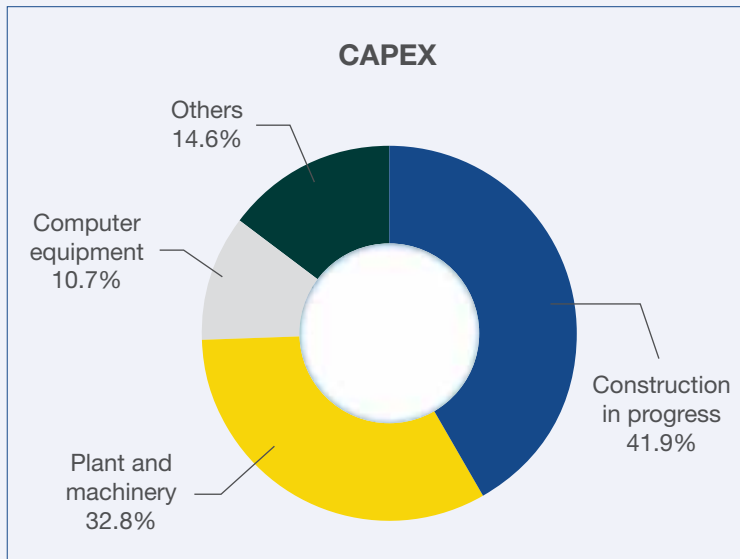
- i) Net cash inflow from operating activities amounted to RM14.7 million mainly due to better collections from our customers;
- ii) Net cash inflow from investing activities amounted to RM0.5 million mainly contributed by interest income generated from fixed deposits and proceeds from the disposal of property, plant and equipment; and
- iii) Net cash inflow from financing activities amounted to RM55.4 million mainly due to proceeds received from the issuance of new ordinary shares during FYE 2022, which was partially offset by repayment to the corporate shareholder of a subsidiary company.

CAPITAL EXPENDITURE (“CAPEX”), STRUCTURE AND RESOURCES

In FYE 2022, we incurred CAPEX of RM0.5 million, of which 74.7% were for construction in progress including plant and machinery, mainly for production use.

As at 31 March 2022, our Group's share capital is RM100.4 million. Our total equity remained healthy at RM167.8 million as at 31 March 2022, increasing by RM76.5 million from 31 March 2021.

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances.



ANTICIPATED OR KNOWN RISK

We wish to highlight the following key anticipated or known risks that our Group is exposed to which may have a material impact on our operations and financial performance. Our plans and strategies to prevent or mitigate the risks are disclosed as follows:

i) Business risk

The fibre optic cable market in Malaysia remains dependent on a few key domestic customers. As Government intends to widen the coverage of broadband within the country, it has led to an increase in demand by key customers in the fibre optic cable market. High volume and demand translated to more business for our Group which requires higher working capital. As such, we need to plan, budget, and monitor our cash flows closely to ensure that we are able to fulfil all our obligations under the contracts awarded to us.

MANAGEMENT DISCUSSION & ANALYSIS

Cont'd

ii) Foreign currency exchange risks

Our thixotropic gel is exported to many countries worldwide and is mainly denominated in the US dollar. The sales are in US dollars which is a natural hedge against our US dollar-denominated raw materials. We have also entered into forward exchange contracts to manage our foreign currency exposures arising from our payables currencies other than the functional currency.

iii) Operational risk

In our engineering services, we deploy our people at sites that expose them to safety risks during piping, drilling, and cable installation. There are also risks of damage to utilities planted underground during our installation process. Hence, we have put in place safety measures and procedures to ensure our people work in a protected and secure environment to prevent any accident, injury or damaging incident from happening.

iv) Availability and fluctuation in prices of raw materials

The availability and fluctuations in our raw materials prices, as well as increased sea freight cost, may cause our Group's financial performance to be adversely affected. Any rise in our raw material prices will result in a lower operating margin for our Group if we are unable to reflect the increased cost in the selling price of our products. Hence, we constantly review and monitor our production plans and inventory levels, to ensure that we have sufficient raw materials and are able to maintain competitive pricing.

OUTLOOK

The COVID-19 endemic is expected to prevail into the following year ahead with new variants emerging. Nevertheless, with the rising vaccination rates as well as the reopening of economies, the business outlook is expected to improve gradually. We were able to regain our footing in FYE 2022 and were able to capitalise on the resumption of economic activities and sustain our growth as reflected in our improved financial performance in FYE 2022. Whilst we remain mindful of the challenges ahead, we also expect the positive momentum to extend into the new financial year.

We remain positive with our fibre optic cables supply business in view of the initiatives by the Government such as the National Fibreisation & Connectivity Plan and Jendela for better network connectivity for all Malaysians. As such, the demand for fibre optic cables in Malaysia is expected to increase as the Government plans to expand the fibre network infrastructures. To this end, during the year, we have collaborated with Global Forway Sdn Bhd and incorporated Opcom Vision Sdn Bhd as the special purpose vehicle for the collaboration to jointly, manage, and execute works related to, but not limited to 5G technology and infrastructure. We are also looking forward to obtaining more contracts as the economy slowly recovers back to normal.

Our Group's current thixotropic gel export business will maintain its momentum as we march forward in FYE 2023. We are looking at growing our export segment in future years by expanding our export product range.

Further, with the proceeds from Private Placements, we will seek new business opportunities that will enhance our bottom line and shareholder value. Hence, we foresee a busy and exciting year ahead for us as we strive to perform better in our existing businesses as well as invest in new business opportunities.

DIVIDEND POLICY

We do not have any formal dividend policy. While we recognise the importance of rewarding shareholders for their support, the decision to declare a cash dividend is subject to several factors, including earnings, capital commitment, financial conditions, and other factors.

In view of the ongoing market challenges and the need for us to maintain a strong cash flow position for our operations, our Board has not recommended a dividend payment for FYE 2022.

BOARD OF DIRECTORS



**ONG
SOON LIM**

*Executive
Director*

**DATO' MAZLIN BIN
MD JUNID**

*Chairman/Independent
Non-Executive Director*

BOARD OF DIRECTORS

Cont'd



**LIM
KIM LEE (f)**

*Independent
Non-Executive Director*

**MAGNUS
KREUGER**

*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 60 • Male • Malaysian

Date Appointed to the Board:

21 July 2021

Number of Board Meetings Attended in the financial year:

3/3

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:

Dato' Mazlin 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. He retired from ENRA Group Berhad in November 2021.

BOARD OF DIRECTORS' PROFILE

Cont'd

ONG SOON LIM

Executive Director
Age 57 • Male • Malaysian

Date Appointed to the Board:

21 July 2021

Number of Board Meetings Attended in the financial year:

3/3

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 overseas the administration and operations of the group of companies.

He is the director of Hextar Technologies Solutions Berhad Group (formerly known as Complete Logistic Services Berhad Group).

MAGNUS KREUGER

Independent Non-Executive Director
Age 66 • Male • Swedish National

Date Appointed to the Board:

19 October 2018

Number of Board Meetings Attended in the financial year:

5/5

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:

- Nominating and Remuneration Committee (Chairman)
- Audit Committee
- Tender Committee (Chairman)

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

TEH LI KING

Non-Independent Non-Executive Director
Age 43 • Male • Malaysian

Date Appointed to the Board:

24 February 2021

Number of Board Meetings Attended in the financial year:

5/5

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 and Hextar Technologies Solutions Berhad (formerly known as Complete Logistics Services Berhad).

LIM KIM LEE (f)

Independent Non-Executive Director
Age 43 • Female • Malaysian

Date Appointed to the Board:

16 November 2021

Number of Board Meetings Attended in the financial year:

2/2

Qualifications:

- Bachelor of Commerce in 1999 from the University of Otago New Zealand, majoring in Accounting
- Member of the Malaysian Institute of Accountants
- Member of the Chartered Institute of Management Accountants

Membership of Board Committee:

- Audit Committee (Chairperson)
- Nominating and Remuneration Committee
- Tender Committee

Skills, Experience and Expertise:

Lim Kim Lee started her career as an account/audit assistant for about 3 years before joining Classic Scenic Berhad ("CScenic") as finance officer in year 2003. In year 2004, she assisted in the Initial Public Offering (IPO) exercise of CScenic on the Second Board of Bursa Malaysia Securities Berhad and, subsequently, to the Main Board. In 2007, she was promoted to the position of Group Finance Manager of which she is responsible for the treasury and finance function of CScenic, and also in establishment, implementation and maintenance of quality management and forest stewardship control system. In 2012, she was promoted to the position of Group Financial Controller of which her responsibilities include setting strategic direction of finance, human resources and information technology to support the goals of CScenic, and also maintaining an adequate and effective risk management and internal control system. She was appointed as Chief Financial Officer and Executive Director of CScenic in December 2016 and July 2021 respectively.

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 2022.
- 4) All Directors, except for Teh Li King and Lim Kim Lee (f), do not have any directorship in other 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 51, 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 52, 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.

DR. CHAN AI JOO, CINDY

Group Financial Controller, Opcom Group

Dr. Chan Ai Joo (Cindy), age 45, Female Malaysian, joined the Group in 2020. Dr. Chan earned a Degree of Bachelor of Accounting from Universiti Malaya, Malaysia, a Commonwealth Executive Master of Business Administration from Wawasan Open University, Malaysia, and a Doctor of Philosophy from Swinburne University of Technology, Sarawak Campus, 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 twenty (20) 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

HAJI A. MALEK BIN OTHMAN

*Project Operations, Safety & Health Manager,
Opcom Engineering Services Sdn. Bhd.*

Haji A. Malek Bin Othman, age 48, Male Malaysian, joined the Group in July 2016. He graduated with a Bachelor of Engineering from the University of Technology Malaysia (UTM) in 1995. He earned an Executive Master in Management from Asia E University (AEU) in 2014 and subsequently, a Certified Safety and Health Officer from the Department of Occupational Safety and Health (DOSH) in 2015. He acquired extensive experience in the manufacturing, automotive industries, and telecommunication industries. He is responsible for the quality management system, manufacturing operation, project rollout, and safety and health.

NIK AMIRAH BINTI NIK MOHAMED SALLEH

*Project Fulfillment Management Manager,
Opcom Engineering Services Sdn. Bhd.*

Nik Amirah Binti Nik Mohamed Salleh, age 36, Female Malaysian, joined the Opcom Group in March 2013. She earned a Degree of Bachelor of Physics from the University Putra Malaysia (UPM). She started her career at Panasonic Malaysia, handling the global sales market. She has over nine (9) years of experience in the telecommunication industry where she was involved in sales and marketing, business development, and project rollout.

Notes:

- 1) All senior management does not have any family relationship with any Director and/or major shareholder of the Company.
- 2) All senior management have no conflict of interest with the Company and have not been convicted for any offences within the past five (5) years.
- 3) All senior management has no public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 31 March 2022.
- 4) All senior management does not have any directorship in other public companies and listed issuers.

SUSTAINABILITY STATEMENT

OUR APPROACH

At Opcom Holdings Berhad (“**OPCOM**” or “**the Company**”), 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 that 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 complying 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.

Opcom Cables Sdn. Bhd. and Unigel Compounds Sdn. Bhd. are certified with ISO 14001:2015 Environmental Management System.

1. Energy Savings

Air-conditioning and lights are switched off after office hours. Our working desktops and notebooks are configured to power-saving mode.

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

2. 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.

3. Resources Planning

The Group practices headcount rightsizing and shared supportive functions, namely Finance & Accounts, Management Information System (MIS) & Information Technology, Procurement, and Safety & Security to promote effective human resources planning.

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.

1. Customer Satisfaction

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

2. Research & Development 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.

Two (2) of our subsidiaries, namely, Opcom Cables Sdn. Bhd. and Unigel Compounds Sdn. Bhd. are ISO 9001:2015 Quality Management System certified.

SUSTAINABILITY STATEMENT

Cont'd

3. 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 a few targeted exhibitions following the unprecedented Covid-19 pandemic and will resume our participation in the exhibitions upon the easing of the pandemic.

4. 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 in order, documented, and measured.

People Retention

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

1. 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.

2. 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.

3. Rewards

We conduct staff performance appraisals biannually. 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.

4. Employee Communication

A weekly department meeting is hosted to discuss the operational issue, alongside a monthly management meeting to review and follow up on each department's achievement.

A yearly town hall meeting is 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.

1. Internship Program

The Group provided internship programs to local university students.

2. 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. Following the easing of the national Covid-19 pandemic social distancing restrictions, we hosted a Hari Raya gathering in year 2022.

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

In December 2021, Selangor witnessed several locations inundated following the continuous downpour. The Group has contributed monetary aid supporting flood victim employees to repair damaged houses and household items.

3. 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 (“**OPCOM**” or “**the Company**”) and its subsidiaries (“**OPCOM 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 OPCOM 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 OPCOM Group has applied the principles and complied with the best practice provisions as laid out in MCCG throughout the financial year ended 31 March 2022 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 (“**CG 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 OPCOM 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 OPCOM 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 (“**AC**”), Nominating and Remuneration Committee (“**NRC**”) 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 the overall conduct of the Board. The Executive Director is 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 OPCOM Group’s various business activities on a day-to-day basis. The management leadership team executes and implements the policies and strategies approved by the Board in compliance with the corporate governance, risk management and internal control framework of OPCOM Group.

OPCOM Group has a well-structured and process-oriented communications framework to keep the Board and its committees informed of the OPCOM Group’s business activities continuously. Business workgroup activities are reported and measured against agreed KPIs of the OPCOM Group’s yearly business plan monthly. The OPCOM 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 OPCOM Group’s business activities, including important issues relating to business goals and objectives and internal controls.

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

The Board has formally adopted a Board Charter, which guides the Board in fulfillment 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 the 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.

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 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 has adopted the Directors’ Fit and Proper Policy for the appointment and re-election of Directors of OPCOM and OPCOM Group. This policy will enhance the governance of OPCOM Group in relation to the Board’s quality and integrity, as well as ensure that each of its directors has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.

The NRC shall conduct the fit and proper assessment prior to the appointment of any candidates as a Director or making a recommendation for the re-election of an existing Director of the Company and OPCOM Group.

The Board Charter, Code of Conduct, Whistleblowing Policy and Procedures, ABC Policy, Directors’ Fit and Proper Policy and the Schedule of Reserved Matters of the Board are made available for reference on 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 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.

2. BOARD COMPOSITION

2.1 Composition and Balance of the Board

The Board consists of five (5) members, comprising one (1) Executive Director, three (3) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

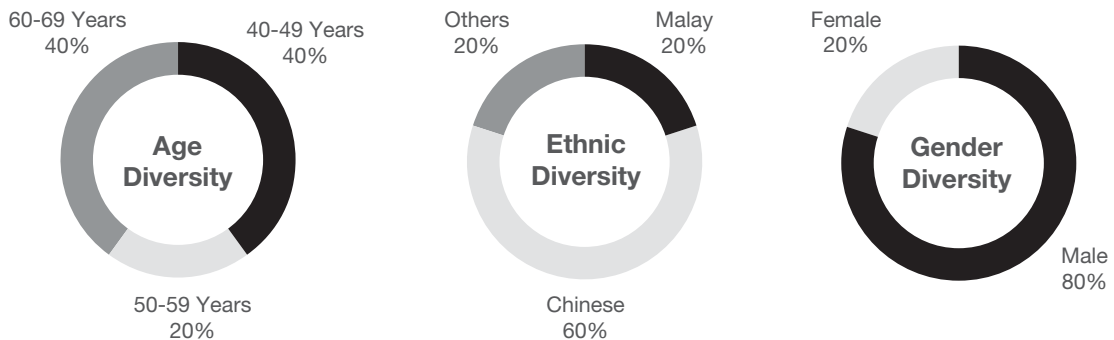
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PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.1 Composition and Balance of the Board (Cont'd)

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 20 to 22 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.

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 (9) years. Upon completion of the nine (9) 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 (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

The NRC had undertaken a review and assessment of the level of independence of the Independent Directors of the Board and based on the assessment, the Board is generally satisfied with the level of independence demonstrated by the Independent Directors, i.e. they are independent of management and free from any business dealing or other relationship with the OPCOM Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration

Nominating and 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 AC and the performance of the AC 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 members and the evaluation process is led by the NRC Chairman and supported by the Company Secretaries and Corporate Services Workgroup.

The NRC Report is as set out on pages 40 to 42 of this Annual Report, which outlines the NRC's membership, its responsibilities and a summary of activities carried out during the year.

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

1. Dato' Mohamed Sharil Bin Mohamed Tarmizi resigned on 26 April 2021;
2. Chan Bee Lean (f) resigned on 16 November 2021; and
3. Sven Janne Sjöden resigned on 16 November 2021

The aggregate remuneration of the Directors (including benefits-in-kind) for the financial year ended 31 March 2022 is as follows:-

Directors	Company		Group	
	Directors' Fee (RM)	Allowances (RM)	Directors' Fee (RM)	Salary (RM)
Dato' Mazlin Bin MD Junid (Appointed wef 21 July 2021)	16,600	21,000	-	-
Ong Soon Lim (Appointed wef 21 July 2021)	16,600	7,500	19,500	172,882
Teh Li King	24,000	10,500	-	-
Magnus Kreuger	24,000	25,000	-	-
Lim Kim Lee (f) (Appointed wef 16 November 2021)	8,933	10,500	-	-
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Resigned wef 26 April 2021)	1,733	2,000	-	-
Sven Janne Sjöden (Resigned wef 16 November 2021)	15,067	6,000	-	-
Chan Bee Lean (Resigned wef 16 November 2021)	15,067	12,500	-	-

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

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

2. BOARD COMPOSITION (CONT'D)

2.3 Directors' Remuneration (Cont'd)

Nominating and 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 a decision on 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 on the Company's website, www.opcom.com.my.

Remuneration of Senior Managements

The total remuneration received by senior management of the Group including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000, in respect of the financial year ended 31 March 2022, is tabulated below:-

RANGE OF REMUNERATION	NUMBER OF SENIOR MANagements
Below RM50,000	-
RM50,001 – RM100,000	1
RM100,001 – RM150,000	1
RM150,001 – RM200,000	-
RM200,001 – RM250,000	2
RM250,001 – RM300,000	-
RM300,001 – RM350,000	-
RM350,001 – RM400,000	1

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 OPCOM 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 is 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 the business and affairs of the OPCOM Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (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 OPCOM 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 2022, the Board held five (5) meetings. Directors' attendance at these meetings can be found in the Board of Directors' profile on pages 20 to 22. At Board meetings, strategies and performance of the OPCOM 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/ briefings on regulatory and industry trends were held at Board and Committee meetings.

The Board continuously encourages 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 the financial year ended 31 March 2022, the Company has in place an AC which comprises three (3) Independent Non-Executive Directors. The role of the AC is to oversee the processes for the preparation and completion of the financial data. The AC reviews financial reports, related party transactions, situations of potential conflict of interests and the internal controls of the OPCOM Group.

The AC 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 AC has received written assurance from External Auditor confirming that it is and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

2. Risk Management Committee

The Risk Management Committee holds monthly meetings and reports to the AC. 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 OPCOM Group is always on alert for 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 OPCOM Group's procurement activities as well as the OPCOM 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 that 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 reviews business transactions beyond a certain financial threshold set by the Board, including the nature of the transaction, risks associated with the proposed transaction and the risk-reward considerations of the proposed transaction.

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 OPCOM Group's assets and therefore shareholders' investments in the OPCOM Group. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Currently, OPCOM Group does not maintain an Internal Audit Department but outsourced its Internal Audit function to Wensen Consulting Asia (M) Sdn. Bhd., who reports directly to the AC, to ensure independent reviews be carried out on the adequacy and integrity of the OPCOM Group's system of internal controls. The Board considers the system of internal controls instituted throughout the OPCOM Group sound and sufficient. The total cost incurred for the Internal Audit activities of OPCOM Group for the financial year under review was RM29,500. The Statement on Risk Management and Internal Control furnished on pages 43 to 47 of the Annual Report provides an overview of the state of internal controls within the OPCOM Group.

5. Relationship with the Auditors

Through the AC, the Board has established and maintained a formal and transparent relationship with OPCOM Group's External and Internal Auditors. A summary of the activities of the AC during the financial year is set out under the AC Report on pages 37 to 39 of the Annual Report.

The AC will have a private session with the External Auditors without the presence of any executive of OPCOM Group at least twice a year. Liaison and unrestricted communication exist between the AC and External Auditors. The AC 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 OPCOM 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 the Annual Report to the shareholders. The AC 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 OPCOM 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 OPCOM 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 OPCOM Group keeps accounting records which disclose with reasonable accuracy the financial position of the OPCOM 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 OPCOM 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 OPCOM Group known as www.opcom.com.my;
- the yearly annual report; and
- participating in investor forums with research analysts, fund managers and investors.

The Shareholders' Communication Policy is made available for reference on 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 votes for and against the resolution, is 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 MCGG

The Board is supportive of all the recommendations of the MCGG and has ensured that the recommendations set out in the MCGG 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 22 July 2022.

Key Focus Areas And Future Priorities In Relation To Corporate Governance Practices

In view of the enhancements in the corporate governance regulations, the Board has reviewed and updated the existing policies and procedures to ensure that they are kept contemporaneous and relevant to the Company's needs. The Board will further look into the enhancements or developments of corporate governance policies and procedures, as the case may be.

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 2022.

COMPOSITION

As at 31 March 2022, the AC comprised three (3) Independent Directors: -

Lim Kim Lee (f) (*Chairperson*)
(*Independent Non-Executive Director*)

Dato’ Mazlin Bin MD Junid
(*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
Lim Kim Lee (f) (<i>Appointed on 16 November 2021</i>)	3/3
Magnus Kreuger	6/6
Dato’ Mazlin Bin MD Junid (<i>Appointed on 21 July 2021</i>)	4/4
Chan Bee Lean (f) (<i>Resigned on 16 November 2021</i>)	3/3

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 and recommended the related party transactions (“**RPT**”) presented by Management to the Board on quarterly basis for approval, to ensure that these transactions are undertaken in the best interest of the Company, fair, reasonable and based on normal commercial terms and not detrimental to the interest of the minority shareholders.
- Monitored the thresholds of the RPT and recurrent related party transactions (“**RRPT**”) to ensure compliance with AMLR;
- Reviewed quarterly the risk management committee report;
- Reviewed quarterly the financial manual of OPCOM Group and recommendation to the Board on revision, if necessary;

AUDIT COMMITTEE REPORT

Cont'd

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

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

- Reviewed annually the terms of reference of AC, evaluation and appointment of external auditors policy & procedures and RPT policy & procedures and recommendation to the Board on revision, if necessary;
- Reviewed the Corporate Governance Overview Statement, AC Report and Statement on Risk Management & Internal Control for inclusion in the Annual Report of the Company;
- Reviewed and discussed the changes in law and regulations and regulatory updates relating to the Group's businesses;
- Considered the nomination of External Auditors and Internal Auditors for recommendation to the Board for re-appointment; and
- Reviewed the Circular to Shareholders in relation to proposed private placements, proposed establishment of employees' shares option scheme and new RRPT mandate and recommended to the Board to seek shareholders' approval.

(b) External Audit

- Reviewed and validated the reason of resignation given by the former External Auditor with the Management;
- Evaluated new External Auditor by considering their qualification, credentials, suitability, and independence prior to official engagement;
- 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;
- Evaluated the performance and independence of External Auditor and made recommendation to the Board on their re-appointment and proposed annual audit fees; and
- Met with the External Auditors twice a year without the presence of any Executive Director and management personnel.

(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 internal audit reports, follow-up review reports and management's action plans with the management and Internal Auditors.

AUDIT COMMITTEE REPORT

Cont'd

INTERNAL AUDIT ACTIVITIES

The Internal Auditors of the Group during the financial year ended 31 March 2022 has been outsourced to Messrs Moore Stephens Associates PLT (“**MOORE**”), who reports directly to the AC. MOORE assisted 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.

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 Internal Auditors of the Group have been changed to Messrs Wensen Consulting Asia (M) Sdn. Bhd. in February 2022.

The reviews conducted during the financial year is as follows:

- Procure to Pay Review
- Sales Order, Invoicing and Collection Management, Credit Assessment and Control Management – Opcom Cables Sdn Bhd and Unigel Compounds Sdn Bhd

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2022 is RM29,500.

NOMINATING AND REMUNERATION COMMITTEE REPORT

The Board of Directors (“**Board**”) is pleased to present the Nominating and Remuneration Committee (“**NRC**”) Report of Opcom Holdings Berhad (“**OPCOM**” or “**the Company**”) and its subsidiaries (“**OPCOM Group**”) for the financial year ended 31 March 2022.

COMPOSITION

The present members of the NRC comprised:

Magnus Kreuger (*Chairman*)
(*Independent Non-Executive Director*)

Dato’ Mazlin Bin MD Junid
(*Independent Non-Executive Director*)

Lim Kim Lee (f)
(*Independent Non-Executive Director*)

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

At the forthcoming Twenty-Seventh AGM (“**27th AGM**”), Lim Kim Lee (f) and Teh Li King will be retiring in accordance with Article 83 and Article 90(1) respectively of the Company’s Constitution.

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. However, the Company adopts 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 as a non-independent director, subject to Board’s justification and to seek annual shareholders’ approval. For Independent Director who has served beyond nine (9) years, the Board shall provide justification and seek annual shareholders’ approval through a two-tier voting process.

The NRC had undertaken a review and assessment of the level of independence of the Independent Directors of the Board via electronic means 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.

NOMINATING AND REMUNERATION COMMITTEE REPORT

Cont'd

APPOINTMENT & RE-ELECTION (CONT'D)

The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of OPCOM Group.

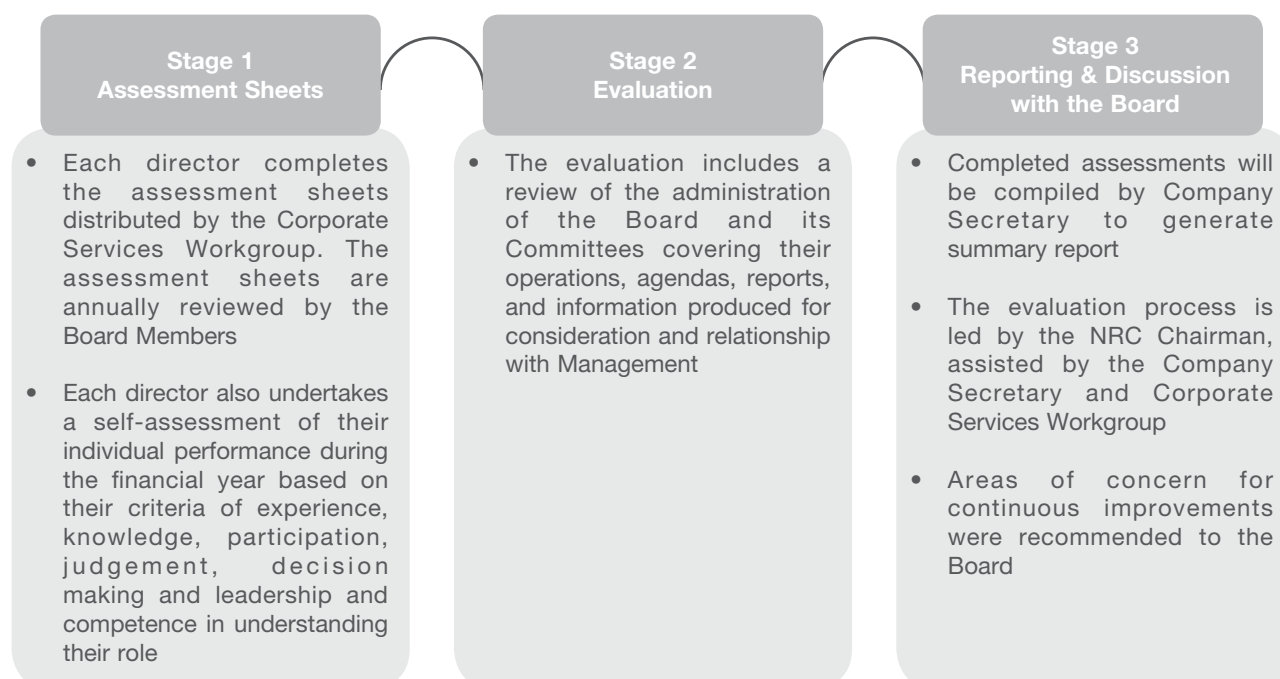
The Fit and Proper Policy sets out the attributes and qualifications required of a candidate to determine his/her suitability, include amongst others, requirements in respect of his/her management and leadership experience, which has a considerable understanding on the workings of a corporation, public corporation or professional firm/body. In relation to the candidate's skills, expertise and background, the candidate should ideally and to the extent available, possess a diverse range of skills, including in particular, business, legal and financial expertise, professional knowledge and financial industry experience, as well as experience in regional and international markets.

In accordance with this policy, the NRC recommends to the Board suitable candidates for directorships and the appointment of key senior management of OPCOM and relevant subsidiaries.

BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTOR EVALUATION

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

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



NOMINATING AND 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;
- Reviewed the term of office of the Audit Committee members and assessed the performance of the Audit Committee and its members during the financial year;
- Reviewed annually the terms of reference, nomination, appointment/election of Directors and assessment procedures and other related policies;
- Discussed the Company's Directors' retirement by rotation;
- Reviewed the Company's Directors' fees, benefits and allowances;
- Reviewed the increment and performance incentives of the Group's employees;
- Reviewed and recommended the appointment of new Directors, Chairman of the Company, as well as the changed of composition of the Board Committees; and
- Reviewed and recommended to the Board for approval, the proposed Directors' Fit & Proper Policy for Appointment and Re-election of Directors of the Group.

The terms of reference of the NRC and Directors' Fit & Proper Policy are 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 2022, 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.

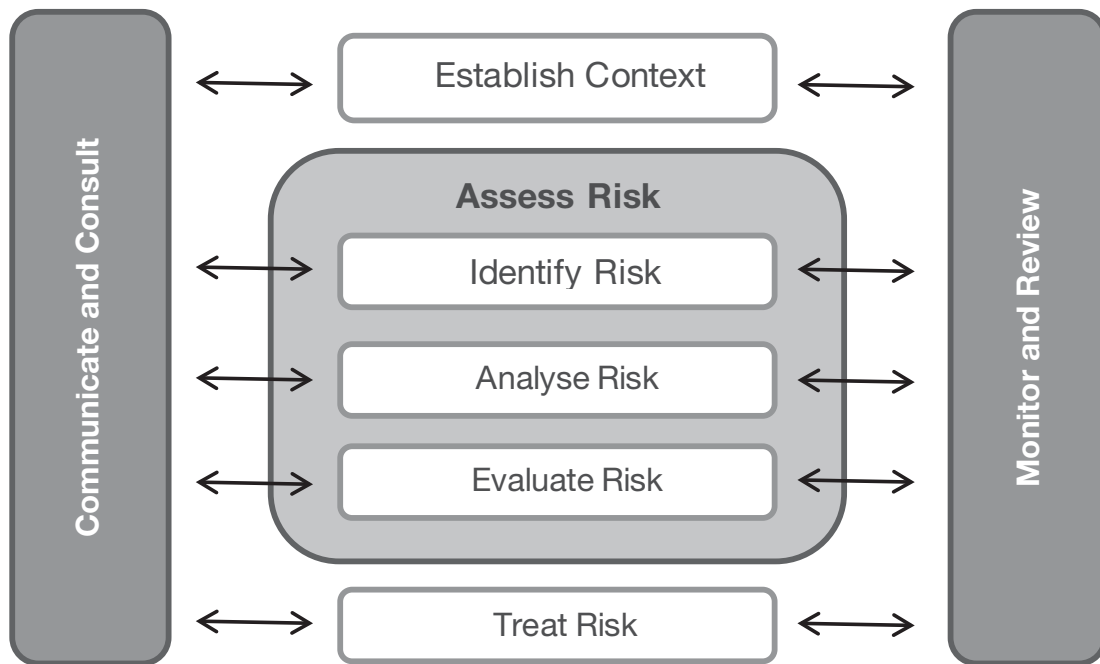
The Group had a written Risk Management Policies and Procedures (“**RMPP**”) with an objective to ensure a formal and consistent process of risk identification, assessment, acceptance and treatment is carried out within the Group.

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, safety and security, marketing, engineering, 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, evaluation and monitoring and/or reporting on the risks that may affect the achievement of the business objectives. This process helps to reduce the Group's internal and external uncertainty environment, thus allowing it to maximise business opportunities.

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

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:

- Procure to Pay Review
- Sales Order, Invoicing and Collection Management, Credit Assessment and Control Management – Opcom Cables Sdn Bhd and Unigel Compounds Sdn Bhd

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 2022. 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 Rule 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 22 July 2022.

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 2022 are as follows:

	Group (RM)	Company (RM)
Audit Fees	173,000	48,000
Non-Audit Fees	5,000	5,000

Non-Audit fees payable to the External Auditors for the financial year ended 31 March 2022 by the Group was 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 FY2022.

3. UTILISATION OF PROCEEDS

- (a) On 2 April 2021, the Company successfully raised RM9.272 million from the private placement by the issuance of 16,124,900 new ordinary shares on ACE Market of Bursa Securities. The status of the utilisation of proceeds is as follows:

Details of Utilisation	Proceeds raised RM'000	Actual utilised RM'000	Balance to be utilised RM'000
Future business projects/investment	6,000	(2,342)	3,658
Working capital	3,142	(3,142)	-
Estimated expenses for the Private Placement	130	(130)	-
Total	9,272	(5,614)	3,658

- (b) On 9 September 2021, the Company successfully raised RM23.147 million from the private placement by the issuance of 53,212,400 new ordinary shares on ACE Market of Bursa Securities. The status of the utilisation of proceeds is as follows:

Details of Utilisation	Proceeds raised RM'000	Actual utilised RM'000	Balance to be utilised RM'000
Future business projects/investment	19,000	-	19,000
Working capital	3,668	-	3,668
Estimated expenses for the Private Placement	479	(479)	-
Total	23,147	(479)	22,668

ADDITIONAL COMPLIANCE INFORMATION

Cont'd

4. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The shareholders of the Company had via an Extraordinary General Meeting held on 18 August 2021 approved the ESOS of up to 30% of the total number of issued shares of the Opcom Group (excluding treasury shares, if any) for eligible Directors and employees of the Company and its subsidiaries. The ESOS is for a duration of five (5) years commencing from the date of implementation of ESOS, unless extended further.

- (a) According to the register of the options, the number of schemes currently in existence during the financial year were as follows-

Total Number of Options Granted	68,000,000
Total Number of Options Exercised	48,500,000
Total Number of Options Lapsed *	500,000
Total Number Options Outstanding	19,000,000

* Due to resignation

- (b) The total number of options granted to the Directors and Senior Management, and outstanding options during the financial year were as follows:

Description	Directors	Senior Management
Total Number of Options Granted	20,000,000	28,000,000
Total Number of Options Exercised	-	28,000,000
Total Number of Options Outstanding	20,000,000	-

- (c) Percentage of options granted to Directors and Senior Management under the ESOS are as follows:

	Since commencement up to 31 March 2022
Aggregate maximum allocation	100%
Actual percentage granted and accepted	100%

- (d) The breakdown of the options offered to and exercised by the Non-Executive Directors pursuant to the ESOS in respect of the financial year ended 31 March 2022 are as follows-

Name of Directors	Amount of options granted	Amount of options exercised
1. Dato' Mazlin Bin MD Junid	500,000	-
2. Teh Li King	8,000,000	-
3. Magnus Kreuger	500,000	-
4. Lim Kim Lee (f)	-	-

5. 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 2022 are disclosed in Note 24 to the Financial Statements of this Annual Report.

FINANCIAL STATEMENT

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

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 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, net of tax	6,399,250	(750,496)
Attributable to:		
Owners of the Company	3,946,456	(750,496)
Non-controlling interests	2,452,794	-
	6,399,250	(750,496)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2022.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, 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 doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT

Cont'd

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, 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 values as shown in the accounting records of the Group and of the Company had 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 of the Group and of the Company 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 method 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 or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 will or may affect the ability of the Group or of the Company to meet their obligations as and 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 MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) increased its issued and paid-up ordinary share capital from RM32,249,987 to RM64,059,921 by way of private placement of 69,337,300 new ordinary shares for a total cash consideration of RM31,809,934; and
- (ii) issued 48,500,000 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") for a total cash consideration of RM36,352,985.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

No new issue of debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the ESOS.

On 2 August 2021, the Company's shareholders approved the establishment of an ESOS for directors and employees who meet the criteria of eligibility for participation.

The salient features and other details of the ESOS are disclosed in Note 16(a) to the financial statements.

The options offered for the subscription of unissued ordinary shares and the exercise price are as follows:

Grant date	Exercise price	Number of option over ordinary shares				At 31 March 2022
		At 1 April 2021	Granted	Exercised	Lapsed	
21 September 2021	RM0.6804	-	68,000,000	(48,500,000)	(500,000)	19,000,000

DIRECTORS

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

Dato' Mazlin Bin MD Junid	(Appointed on 21 July 2021)
Ong Soon Lim*	(Appointed on 21 July 2021)
Teh Li King	
Magnus Kreuger	
Lim Kim Lee	(Appointed on 16 November 2021)
Chan Bee Lean	(Resigned on 16 November 2021)
Sven Janne Sjöden	(Resigned on 16 November 2021)

* Directors of the Company and certain subsidiaries

DIRECTORS' REPORT

Cont'd

DIRECTORS (CONT'D)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Yusree Putra Bin Alias	
Rohiza Binti Husain	
Ahmad Bazlan Bin Che Kasim	(Resigned on 14 March 2022)
Arun Bansal	(Resigned on 14 March 2022)
Patrick Rolf Johansson	(Resigned on 14 March 2022)
Mahfuz Bin Wan Har	(Resigned on 14 March 2022)

DIRECTORS' INTERESTS

According to the Registers of Directors' Shareholding required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in share option granted under ESOS in the Company and its related corporations during the financial year were as follows:

	Number of Share Options			
	At 1 April 2021/ date of appointment	Granted	Exercised	At 31 March 2022
Share options in the Company				
Dato' Mazlin Bin MD Junid	-	500,000	-	500,000
Ong Soon Lim	-	10,000,000	-	10,000,000
Teh Li King	-	8,000,000	-	8,000,000
Magnus Kreuger	-	500,000	-	500,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares and options over ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 24 to the financial statements.

DIRECTORS' REPORT

Cont'd

DIRECTORS' BENEFITS (CONT'D)

The directors' benefits of the Group and the Company are as follows:

	Group RM	Company RM
Directors of the Company		
- Fees	141,500	122,000
- Remuneration	249,402	95,000
- Post-employment benefits	18,480	-
- Share-based payment expense	1,733,800	1,054,700
	2,143,182	1,271,700
Directors of subsidiaries		
- Fees	41,452	-
- Remuneration	580,127	-
- Post-employment benefits	78,662	-
- Share-based payment expense	1,222,380	-
	1,922,621	-

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the 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, other than those arising from the share options granted under the ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM5,000,000 and RM6,900 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event subsequent to the end of the financial year are disclosed in Note 29 to the financial statements.

DIRECTORS' REPORT

Cont'd

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company during the financial year are RM178,000 and RM53,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

.....
ONG SOON LIM
Director

.....
TEH LI KING
Director

Date: 22 July 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	23,286,811	24,401,700	124,173	168,461
Right-of-use assets	6	11,866,672	12,118,927	11,845,113	12,068,612
Investment properties	7	-	-	12,207,164	12,514,051
Investment in subsidiaries	8	-	-	25,850,439	20,150,002
Investment in associates	9	20,495,223	19,329,743	-	-
Deferred tax assets	10	55,019	55,019	-	-
Total non-current assets		55,703,725	55,905,389	50,026,889	44,901,126
Current assets					
Inventories	11	10,890,667	13,937,988	-	-
Trade receivables	12	20,833,450	25,921,305	-	-
Other receivables, deposits and prepayments	13	2,111,446	1,030,586	4,328,449	1,076,342
Tax assets		538,842	531,958	397,533	419,605
Deposits, cash and bank balances	14	91,581,361	20,860,780	63,806,425	4,914,158
Total current assets		125,955,766	62,282,617	68,532,407	6,410,105
TOTAL ASSETS		181,659,491	118,188,006	118,559,296	51,311,231

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	100,412,906	32,249,987	100,412,906	32,249,987
Reserves	16	4,882,947	2,963,841	1,410,195	-
Retained earnings		52,751,964	48,711,608	13,983,235	14,639,831
		158,047,817	83,925,436	115,806,336	46,889,818
Non-controlling interests		9,710,192	7,409,398	-	-
TOTAL EQUITY		167,758,009	91,334,834	115,806,336	46,889,818
Non-current liabilities					
Loans and borrowings	17	-	22,166	-	-
Deferred tax liabilities	10	733,975	350,483	786,977	404,355
Total non-current liabilities		733,975	372,649	786,977	404,355
Current liabilities					
Loans and borrowings	17	22,167	1,170,594	-	-
Trade payables	18	7,804,122	9,457,165	-	-
Other payables and accruals	19	5,054,437	15,639,273	1,965,983	4,017,058
Tax liabilities		286,781	213,491	-	-
Total current liabilities		13,167,507	26,480,523	1,965,983	4,017,058
TOTAL LIABILITIES		13,901,482	26,853,172	2,752,960	4,421,413
TOTAL EQUITY AND LIABILITIES		181,659,491	118,188,006	118,559,296	51,311,231

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	20	87,173,736	66,994,190	3,034,647	2,612,687
Cost of sales		(69,149,624)	(52,779,933)	(1,727,700)	(1,716,327)
Gross profit		18,024,112	14,214,257	1,306,947	896,360
Other income		1,554,236	983,303	474,478	34,824
Distribution expenses		(1,317,427)	(1,892,044)	-	-
Administrative expenses		(11,297,568)	(6,952,368)	(1,955,727)	(842,331)
Net reversal of impairment losses/ (impairment losses) of financial assets		350,000	(2,472,882)	-	-
Other expenses		(1,438,935)	(1,594,925)	-	-
		(13,703,930)	(12,912,219)	(1,955,727)	(842,331)
Operating profit/(loss)		5,874,418	2,285,341	(174,302)	88,853
Finance costs		(18,091)	(16,829)	-	-
Share of results of associates		1,704,896	1,119,167	-	-
Profit/(Loss) before tax	21	7,561,223	3,387,679	(174,302)	88,853
Tax (expense)/credit	22	(1,161,973)	(225,571)	(576,194)	139,269
Profit/(Loss) for the financial year		6,399,250	3,162,108	(750,496)	228,122
Other comprehensive income/(loss), net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		409,013	(1,063,076)	-	-
Share of exchange reserve from associates		99,898	(222,440)	-	-
Total comprehensive income/(loss) for the financial year		6,908,161	1,876,592	(750,496)	228,122

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) attributable to:					
Owners of the Company		3,946,456	2,587,581	(750,496)	228,122
Non-controlling interests		2,452,794	574,527	-	-
		6,399,250	3,162,108	(750,496)	228,122
Total comprehensive income/(loss) attributable to:					
Owners of the company		4,455,367	1,302,065	(750,496)	228,122
Non-controlling interests		2,452,794	574,527	-	-
		6,908,161	1,876,592	(750,496)	228,122
Earnings per ordinary share attributable to the owners of the Company:					
- Basic (sen)	23	1.79	1.60		
- Diluted (sen)	23	1.77	1.60		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Group	Note	Attributable to owners of the Company							Total equity
		Share capital	Capital reserve	Share option reserve	Foreign currency translation reserve	Retained earnings	Sub-total	Non-controlling interests	
		RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2021		32,249,987	3,283	-	2,960,558	48,711,608	83,925,436	7,409,398	91,334,834
Total comprehensive income for the financial year									
Profit for the financial year		-	-	-	-	3,946,456	3,946,456	2,452,794	6,399,250
Foreign currency translation reserve		-	-	-	409,013	-	409,013	-	409,013
Share of exchange reserve from associates		-	-	-	99,898	-	99,898	-	99,898
Total comprehensive income		-	-	-	508,911	3,946,456	4,455,367	2,452,794	6,908,161
Transactions with owners									
Issuance of ordinary shares pursuant to:									
- private placement	15	31,809,934	-	-	-	-	31,809,934	-	31,809,934
- ESOS	15	36,352,985	-	(3,353,585)	-	-	32,999,400	-	32,999,400
Subscription of shares by non-controlling interests in a subsidiary		-	-	-	-	-	-	40,000	40,000
Share option issued	16	-	-	4,857,680	-	-	4,857,680	-	4,857,680
Lapsed share option	16	-	-	(93,900)	-	93,900	-	-	-
Dividend paid on shares to non-controlling shareholders		-	-	-	-	-	-	(192,000)	(192,000)
Total transactions with owners		68,162,919	-	1,410,195	-	93,900	69,667,014	(152,000)	69,515,014
At 31 March 2022		100,412,906	3,283	1,410,195	3,469,469	52,751,964	158,047,817	9,710,192	167,758,009



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
Cont'd

Group	Note	Attributable to owners of the Company						Total equity RM
		Share capital RM	Capital reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM	
At 1 April 2020		32,249,987	3,283	4,246,074	46,124,027	82,623,371	6,840,871	89,464,242
Total comprehensive income for the financial year								
Profit for the financial year		-	-	-	2,587,581	2,587,581	574,527	3,162,108
Foreign currency translation reserve		-	-	(1,063,076)	-	(1,063,076)	-	(1,063,076)
Share of exchange reserve from associates		-	-	(222,440)	-	(222,440)	-	(222,440)
Total comprehensive income		-	-	(1,285,516)	2,587,581	1,302,065	574,527	1,876,592
Transaction with owners								
Dividend paid on shares to non-controlling shareholders, representing total transaction with owners		-	-	-	-	-	(6,000)	(6,000)
At 31 March 2021		32,249,987	3,283	2,960,558	48,711,608	83,925,436	7,409,398	91,334,834

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
Cont'd

Company	Note	← Attributable to owners of the Company →			
		Share capital RM	Share option reserve RM	Retained earnings RM	Total equity RM
At 1 April 2020		32,249,987	-	14,411,709	46,661,696
Profit for the financial year, representing total comprehensive income		-	-	228,122	228,122
At 31 March 2021/1 April 2022		32,249,987	-	14,639,831	46,889,818
Loss for the financial year, representing total comprehensive loss		-	-	(750,496)	(750,496)
Transactions with owners					
Issuance of ordinary shares pursuant to:					
- private placement	15	31,809,934	-	-	31,809,934
- ESOS	15	36,352,985	(3,353,585)	-	32,999,400
Share option issued	16	-	4,857,680	-	4,857,680
Lapsed share option	16	-	(93,900)	93,900	-
Total transactions with owners		68,162,919	1,410,195	93,900	69,667,014
At 31 March 2022		100,412,906	1,410,195	13,983,235	115,806,336

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
Profit/(Loss) before tax		7,561,223	3,387,679	(174,302)	88,853
Adjustments for:					
Covid-19 related rent concessions		-	(500)	-	-
Depreciation of property, plant and equipment	5	1,717,159	2,172,053	69,752	75,551
Depreciation of right-of-use assets	6	252,245	307,574	223,499	223,500
Depreciation of investment properties	7	-	-	359,237	343,516
Dividend income	20	-	-	(448,000)	(404,000)
Gain on disposal of property, plant and equipment		(161,299)	(20,625)	-	-
Interest expense		19,673	17,865	-	-
Interest income		(813,974)	(356,688)	(474,448)	(34,752)
Impairment losses on property, plant and equipment	5	-	2,895,362	-	-
Inventories written (back)/down	11	(439,647)	1,432,365	-	-
Property, plant and equipment written off	5	26,416	6,632	-	1,162
Reversal of impairment loss on trade receivables	12	(350,000)	(422,480)	-	-
Unrealised gain on foreign exchange		(53,745)	(164,582)	-	-
Shared-based payment expense	21	4,857,680	-	1,287,243	-
Share of result of associates	9	(1,704,896)	(1,119,167)	-	-
Operating profit before working capital changes		10,910,835	8,135,488	842,981	293,830
Changes in working capital:					
Inventories		3,585,091	(2,547,363)	-	-
Receivables		5,196,458	(10,712,489)	(621,686)	(694,836)
Payables		(4,263,879)	10,257,468	(2,051,075)	2,839,617
Cash generated from/(used in) operations		15,428,505	5,133,104	(1,829,780)	2,438,611
Tax (paid)/refunded, net		(709,529)	182,469	(171,500)	(66,340)
Net cash from/(used in) operating activities, carried forward		14,718,976	5,315,573	(2,001,280)	2,372,271

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Cont'd

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Net cash from/(used in) operating activities, brought forward		14,718,976	5,315,573	(2,001,280)	2,372,271
Cash flows from investing activities					
Advances to subsidiaries		-	-	(2,630,421)	-
Investment in subsidiaries	8	-	-	(2,130,000)	(15,000)
Dividend income received from subsidiaries	20	-	-	448,000	404,000
Proceeds from disposal of property, plant and equipment		161,299	20,625	-	-
Interest received		813,974	356,688	474,448	34,752
Purchase of investment properties	7	-	-	(52,350)	(113,925)
Purchase of property, plant and equipment	5	(528,778)	(2,387,511)	(25,464)	(16,876)
Net cash from/(used in) investing activities		446,495	(2,010,198)	(3,915,787)	292,951
Cash flows from financing activities					
(a)					
Dividend paid to non-controlling interests		(192,000)	(6,000)	-	-
Interest paid		(19,673)	(17,865)	-	-
Drawdown of bank borrowings		-	1,825,969	-	-
Repayment of bank borrowings		(1,150,548)	(2,913,520)	-	-
Payments of lease liabilities		(28,417)	(28,464)	-	-
Repayment to a corporate shareholder of a subsidiary		(8,048,134)	-	-	-
Subscription of shares by non-controlling interests in a subsidiary		40,000	-	-	-
Net issuance of shares pursuant to:					
- private placement	15	31,809,934	-	31,809,934	-
- ESOS		32,999,400	-	32,999,400	-
Net cash from/(used in) financing activities		55,410,562	(1,139,880)	64,809,334	-
Net increase in cash and cash equivalents		70,576,033	2,165,495	58,892,267	2,665,222
Cash and cash equivalents at the beginning of the financial year		20,860,780	18,687,709	4,914,158	2,248,936
Effects of exchange rate changes on cash and cash equivalents		144,548	7,576	-	-
Cash and cash equivalents at the end of the financial year	14	91,581,361	20,860,780	63,806,425	4,914,158

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Cont'd

(a) Reconciliations of liabilities arising from financing activities:

Group	Note	At 1 April 2021 RM	Cash flows RM	Non-cash Others RM	At 31 March 2022 RM
Bank borrowings	17	1,142,176	(1,150,548)	8,372	-
Amounts owing to a corporate shareholder of a subsidiary	19	8,048,134	(8,048,134)	-	-
Lease liabilities	17	50,584	(28,417)	-	22,167
		9,240,894	(9,227,099)	8,372	22,167

	Note	At 1 April 2020 RM	Cash flows RM	← Non-cash → Acquisition RM	Others RM	At 31 March 2021 RM
Bank borrowings	17	2,312,136	(1,087,551)	-	(82,409)	1,142,176
Amounts owing to a corporate shareholder of a subsidiary	19	8,048,134	-	-	-	8,048,134
Lease liabilities	17	22,057	(28,464)	57,491	(500)	50,584
		10,382,327	(1,116,015)	57,491	(82,909)	9,240,894

(b) Total cash outflows for leases as a lessee:

	Note	Group 2022 RM	Group 2021 RM
Included in net cash from operating activities:			
Payment relating to short-term leases and low value assets	21	26,380	247,000
Included in net cash from financing activities:			
Payments of lease liabilities		28,417	28,464
Interest paid in relation to lease liabilities	21	1,582	1,036
Total cash outflow of leases		56,379	276,500

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Opcom Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Ace Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

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

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 disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 July 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application is not expected to have material impact to the current and prior periods financials statements.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(c) Associates (Cont'd)

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.15(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions (Cont'd)

(a) Translation of foreign currency transactions (Cont'd)

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Revenue and other income (Cont'd)

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the standalone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Sales of goods

Revenue from sale of goods are recognised at a point in time when control of goods is transferred to the customer, generally on the delivery of the goods. 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.

Sales are made with a credit term ranging from 30 to 120 days. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

(b) Rendering of engineering services

Revenue from a contract to provide services is recognised over time upon services rendered.

(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. Sales are made with a credit term ranging from 30 to 120 days.

(d) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Revenue and other income (Cont'd)

(e) Dividend income

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

(f) Rental income

Rental income is recognised in profit or loss on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of lease.

3.5 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.6 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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.

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

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Income tax (Cont'd)

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is 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 tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Income tax (Cont'd)

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.8 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

3.9 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows: (Cont'd)

(i) Financial assets (Cont'd)

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments as follows:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves purchase or sell an asset).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(c) Regular way purchase or sale of financial assets (Cont'd)

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (except for capital work-in-progress) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b).

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended use. This expenditure is stated at cost less accumulated impairment losses, if any. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.6.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss as incurred.

(c) Depreciation

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

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives
Buildings	50 years
Computer equipment	4 years
Furniture, fixtures and fittings	10 - 20 years
Motor vehicles	5 years
Office equipment	10 years
Plant and machinery	15 years
Renovations	5 years
Tools and equipment	10 years
Small value assets	1 year

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

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Property, plant and equipment (Cont'd)

(d) Derecognition

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

3.11 Leases

(a) Definition of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise right-of-use assets and lease liabilities with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that does not meet the definition of investment property in Note 6 and lease liabilities on Note 17(b).

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b).

Lease liability

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.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability (Cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. The Company uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciated and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15(b).

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.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.13 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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

3.14 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.15 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Impairment of assets (Cont'd)

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

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment.

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than a year past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default of past due event; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Impairment of assets (Cont'd)

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.16 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.17 Share-based payments

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Share-based payments (Cont'd)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

3.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.19 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.

3.20 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a 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.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of property, plant and equipment

The Group assesses the impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved judgement. The judgements are exercised over the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin.

The carrying amounts of property, plant and equipment are disclosed in Note 5.

(b) Impairment of investment in an associate

The Group has an investment in an associate, Unigel (UK) Limited. At the end of the financial year, the Group determines whether objective evidence of impairment exists for its investment in the associate.

Judgment is required in the estimation of the present value of future cash flows generated by associate. The recoverable amount of investment in the associate was determined based on value-in-use which includes the discount rate applied in the recoverable amount calculation and the assumption supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

The carrying amounts of the Group's associates are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings		Computer equipment		Furniture, fixtures and fittings		Motor vehicles		Office equipment		Plant and machinery		Renovation equipment		Tools and equipment		Capital work-in-progress		Small value assets		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
2022																					
Cost																					
At 1 April 2021	17,876,462	1,104,143	1,321,173	467,644	686,664	56,005,838	1,994,994	530,979	2,174,867	-	82,162,764										
Additions	52,350	56,333	-	8,050	14,959	173,511	-	-	221,560	2,015	528,778										
Disposals	-	(171,776)	-	(200,000)	-	(11,420,674)	(87,661)	-	-	-	(11,880,111)										
Written off	-	-	(9,566)	-	-	(23,920)	-	-	-	-	(33,486)										
Reclassification	-	-	-	-	-	2,405,482	-	-	(2,410,752)	5,270	-										
Transfer from right-of-use assets (Note 6)	-	-	-	298,057	-	-	-	-	-	-	298,057										
Exchange differences	-	2,233	632	1,791	1,269	135,497	1,229	7,450	14,325	42	164,468										
At 31 March 2022	17,928,812	990,933	1,312,239	575,542	702,892	47,275,734	1,908,562	538,429	-	7,327	71,240,470										
Accumulated impairment loss																					
At 1 April 2021	-	11,135	25,646	7,292	7,852	4,955,214	-	97,539	-	-	5,104,678										
Disposals	-	-	-	-	-	(1,482,142)	-	-	-	-	(1,482,142)										
Transfer from right-of-use assets (Note 6)	-	-	-	23,405	-	-	-	-	-	-	23,405										
Exchange differences	-	161	371	106	114	29,810	-	1,412	-	-	31,974										
At 31 March 2022	-	11,296	26,017	30,803	7,966	3,502,882	-	98,951	-	-	3,677,915										

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)	Group	Furniture, fixtures and fittings										Total	
		Buildings	Computer equipment	Motor vehicles	Office equipment	Plant and machinery	Renovation	Tools and equipment	Capital work-in-progress	Small value assets			
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2022													
Accumulated depreciation													
At 1 April 2021		5,362,411	948,799	1,030,836	460,334	549,510	42,119,802	1,935,320	249,374	-	-	-	52,656,386
Charge for the financial year		359,237	77,441	31,032	143	32,189	1,146,239	35,948	34,104	-	826	-	1,717,159
Disposals		-	(171,776)	-	(200,000)	-	(9,938,532)	(87,661)	-	-	-	-	(10,397,969)
Written off		-	-	(2,036)	-	-	(5,034)	-	-	-	-	-	(7,070)
Transfer from right-of-use assets (Note 6)		-	-	-	274,642	-	-	-	-	-	-	-	274,642
Exchange differences		-	1,954	52	1,685	985	23,545	736	3,639	-	-	-	32,596
At 31 March 2022		5,721,648	856,418	1,059,884	536,804	582,684	33,346,020	1,884,343	287,117	-	826	-	44,275,744
Carrying amount													
At 31 March 2022		12,207,164	123,219	226,338	7,935	112,242	10,426,832	24,219	152,361	-	6,501	-	23,286,811

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

Group	Buildings		Computer equipment		Furniture, fixtures and fittings		Motor vehicles		Office equipment		Plant and machinery		Renovation equipment		Tools and equipment		Construction in progress		Capital work-in-progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
2021																					
Cost																					
At 1 April 2020	15,197,174	1,092,525	1,328,804	472,629	675,185	56,614,027	1,994,994	551,715	2,565,363	-	80,492,416										
Additions	113,925	45,909	-	-	15,011	23,474	-	-	-	-	2,189,192										
Disposals	-	(27,471)	(2,472)	-	-	(301,200)	-	-	-	-	(331,143)										
Written off	-	(604)	-	-	-	(7,014)	-	-	-	-	(7,618)										
Reclassification	2,565,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	(6,216)	(5,159)	(4,985)	(3,532)	(323,449)	-	(20,736)	-	(14,325)	(378,402)										
At 31 March 2021	17,876,462	1,104,143	1,321,173	467,644	686,664	56,005,838	1,994,994	530,979	2,565,363	-	82,162,764										
Accumulated impairment loss																					
At 1 April 2020	-	11,584	26,679	7,586	8,168	2,142,822	-	101,468	-	-	2,298,307										
Impairment loss	-	-	-	-	-	2,895,362	-	-	-	-	2,895,362										
Exchange differences	-	(449)	(1,033)	(294)	(316)	(82,970)	-	(3,929)	-	-	(88,991)										
At 31 March 2021	-	11,135	25,646	7,292	7,852	4,955,214	-	97,539	-	-	5,104,678										
Accumulated depreciation																					
At 1 April 2020	5,018,895	880,200	991,580	417,617	510,078	40,962,709	1,895,600	205,044	-	-	50,881,723										
Charge for the financial year	343,516	100,331	43,304	46,819	41,933	1,504,372	39,720	52,058	-	-	2,172,053										
Disposals	-	(26,309)	(2,452)	3	-	(302,365)	-	(20)	-	-	(331,143)										
Written off	-	(603)	(2)	(1)	-	(380)	-	-	-	-	(986)										
Exchange differences	-	(4,820)	(1,594)	(4,104)	(2,501)	(44,534)	-	(7,708)	-	-	(65,261)										
At 31 March 2021	5,362,411	948,799	1,030,836	460,334	549,510	42,119,802	1,935,320	249,374	-	-	52,656,386										
Carrying amount																					
At 31 March 2021	12,514,051	144,209	264,691	18	129,302	8,930,822	59,674	184,066	-	-	24,401,700										

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

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

Company	Computer equipment RM	Furniture, fixtures and fittings RM	Office equipment RM	Renovation RM	Tools and equipment RM	Small value assets RM	Total RM
2022							
Cost							
At 1 April 2021	266,970	471,999	268,426	405,438	16,204	-	1,429,037
Additions	15,865	-	8,849	-	-	750	25,464
At 31 March 2022	282,835	471,999	277,275	405,438	16,204	750	1,454,501
Accumulated depreciation							
At 1 April 2021	214,133	453,766	228,310	349,898	14,469	-	1,260,576
Charge for the financial year	30,238	4,907	7,100	26,513	248	746	69,752
At 31 March 2022	244,371	458,673	235,410	376,411	14,717	746	1,330,328
Carrying amount							
At 31 March 2022	38,464	13,326	41,865	29,027	1,487	4	124,173
2021							
Cost							
At 1 April 2020		270,550	471,999	267,724	405,438	16,204	1,431,915
Additions		16,174	-	702	-	-	16,876
Written off		(19,754)	-	-	-	-	(19,754)
At 31 March 2021		266,970	471,999	268,426	405,438	16,204	1,429,037
Accumulated depreciation							
At 1 April 2020		200,607	448,540	218,445	321,804	14,221	1,203,617
Charge for the financial year		32,118	5,226	9,865	28,094	248	75,551
Written off		(18,592)	-	-	-	-	(18,592)
At 31 March 2021		214,133	453,766	228,310	349,898	14,469	1,260,576
Carrying amount							
At 31 March 2021		52,837	18,233	40,116	55,540	1,735	168,461

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM528,778 (2021: RM2,387,511) and RM25,464 (2021: RM16,876) respectively, which are satisfied by cash payments.
- (b) In the previous financial year, an impairment loss RM2,895,362 was recognised in profit or loss, representing the impairment of certain plant and machinery as the carrying amount of these plant and machinery was higher than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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6. RIGHT-OF-USE ASSETS

The Group and the Company lease several assets including long-term leasehold land, warehouse and office and motor vehicle.

Information about lease for which the Group or the Company is lessee is presented below:

Group	Long-term leasehold land RM	Warehouse and office RM	Motor vehicle RM	Total RM
Cost				
At 1 April 2020	14,304,000	114,180	248,149	14,666,329
Addition	-	-	57,491	57,491
Exchange differences	-	-	(11,834)	(11,834)
At 31 March 2021	14,304,000	114,180	293,806	14,711,986
Exchange differences	-	-	4,251	4,251
Transfer to property, plant and equipment (Note 5)	-	-	(298,057)	(298,057)
At 31 March 2022	14,304,000	114,180	-	14,418,180
Accumulated impairment loss				
At 1 April 2020	-	-	24,002	24,002
Exchange differences	-	-	(931)	(931)
At 31 March 2021	-	-	23,071	23,071
Exchange differences	-	-	334	334
Transfer to property, plant and equipment (Note 5)	-	-	(23,405)	(23,405)
At 31 March 2022	-	-	-	-
Accumulated depreciation				
At 1 April 2020	2,011,888	35,432	224,134	2,271,454
Charge for the financial year	223,500	28,443	55,631	307,574
Exchange differences	-	-	(9,040)	(9,040)
At 31 March 2021	2,235,388	63,875	270,725	2,569,988
Charge for the financial year	223,499	28,746	-	252,245
Exchange differences	-	-	3,917	3,917
Transfer to property, plant and equipment (Note 5)	-	-	(274,642)	(274,642)
At 31 March 2022	2,458,887	92,621	-	2,551,508
Carrying amount				
At 31 March 2022	11,845,113	21,559	-	11,866,672
At 31 March 2021	12,068,612	50,305	10	12,118,927

NOTES TO THE FINANCIAL STATEMENTS

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

Company	Long-term leasehold land RM
Cost	
At 1 April 2020/31 March 2021/31 March 2022	14,304,000
Accumulated depreciation	
At 1 April 2020	2,011,888
Charge for the financial year	223,500
At 31 March 2021	2,235,388
Charge for the financial year	223,499
At 31 March 2022	2,458,887
Carrying amount	
At 31 March 2022	11,845,113
At 31 March 2021	12,068,612

- (a) The Group and the Company lease long-term leasehold land and warehouse for their office space and operation site. The leases for office space and operation site generally have lease terms between 2 to 99 years (2021: 2 to 99 years).
- (b) The Group also leases motor vehicle with lease term of 3 years (2021: 3 years).
- (c) The remaining useful life of long-term leasehold land is 52 years (2021: 53 years).

7. INVESTMENT PROPERTIES

	Company	
	2022 RM	2021 RM
Cost		
At beginning of the financial year	17,876,462	17,762,537
Additions	52,350	113,925
At end of the financial year	17,928,812	17,876,462
Accumulated depreciation		
At beginning of the financial year	5,362,411	5,018,895
Charge for the financial year	359,237	343,516
At end of the financial year	5,721,648	5,362,411
Carrying amount	12,207,164	12,514,051

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENT PROPERTIES (CONT'D)

The investment properties of the Company are leased to subsidiaries, related parties and third-party customers 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.

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

	Company	
	2022	2021
	RM	RM
Rental income	2,586,647	2,208,687
Direct operating expenses	206,450	209,215

Fair value information

Fair value of investment properties of the Company is categorised as follows:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Company				
2022				
Land and buildings	-	-	51,250,000	51,250,000
2021				
Land and buildings	-	-	48,710,000	48,710,000

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.

There were no Level 1 and Level 2 investment properties or transfers between Level 1 and Level 2 during the financial years ended 31 March 2022 and 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
At beginning of the financial year	20,150,002	20,135,002
Additions	2,130,000	15,000
	22,280,002	20,150,002
Equity contribution in respect of ESOS	3,570,437	-
At the end of the financial year	25,850,439	20,150,002

The details of the subsidiaries which are all incorporated in Malaysia, are as follows:

Name of company	Principal activities	Ownership interest	
		2022	2021
Opcom Cables Sdn. Bhd. ("OCSB")	Manufacturing of fiber optic cables, systems accessories and provision of engineering services.	70%	70%
Unigel Compounds Sdn. Bhd. ("UCSB")	Manufacturing and trading of cable filling and flooding compounds and trading of industrial products.	100%	100%
Opcom Shared Services Sdn. Bhd. ("OSSSB")	Provision of human resources management services.	100%	100%
Opcom Engineering Services Sdn. Bhd. ("OESSB")	Provision of engineering services to telecommunications and power utilities industry, and act as distribution agent and solution provider for telecommunications products in Malaysia.	90%	90%
Opcom Trading Sdn. Bhd. ("OTSB")	Dormant.	100%	100%
Opcom Vision Sdn. Bhd. ("OVSB")	Dormant.	60%	-
Opcom Lube & Solutions Sdn. Bhd. ("OLSSB")	Dormant.	100%	-

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) Incorporation of subsidiaries

2022

- (a) On 11 October 2021, the Company had incorporated a 60% owned subsidiary, namely Opcom Vision Sdn. Bhd. ("OVSB") with an issued and paid-up capital of 100,000 ordinary shares of RM1 each. The intended principal activity of OVSB is project management services which include supply of cables, hardware and accessories, engineering consultation, information technology software and services management and digital marketing & advertising.
- (b) On 18 February 2022, the Company had incorporated a 100% owned subsidiary, namely Opcom Lube & Solutions Sdn. Bhd. ("OLSSB") with an issued and paid-up capital of 50,000 ordinary shares of RM1 each. The intended principal activity of OLSSB is manufacturing of lubrication oil and oil related products, liquid solutions for construction and household uses.

(ii) Subscription for additional interests in a subsidiary

2022

- (a) On 13 October 2021, the Company had subscribed for an additional 20,000 ordinary shares in Opcom Trading Sdn. Bhd. ("OTSB") for a total cash consideration of RM20,000. The subscription does not change the effective equity interest held by the Company.
- (b) On 9 March 2022, the Company had subscribed for an additional 2,000,000 ordinary shares in OTSB for a total cash consideration of RM2,000,000. The subscription does not change the effective equity interest held by the Company.

2021

- (a) On 5 August 2020, the Company had subscribed for an additional 15,000 ordinary shares in OTSB for a total cash consideration of RM15,000. The subscription does not change the effective equity interest held by the Company.

(iii) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business /country of incorporation	Ownership interest	
		2022	2021
Opcom Cables Sdn. Bhd.	Malaysia	30%	30%

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(iii) Non-controlling interests in subsidiaries (Cont'd)

Carrying amount of material non-controlling interests:

	2022	2021
Name of company	RM	RM
Opcom Cables Sdn. Bhd.	9,450,234	7,221,985

Profit or loss allocated to material non-controlling interests:

	2022	2021
Name of company	RM	RM
Opcom Cables Sdn. Bhd.	2,420,250	494,527

(iv) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Company's subsidiary that has material non-controlling interests are as follows:

	Opcom Cables Sdn. Bhd.	
	2022	2021
	RM	RM
Summarised statement of financial position		
Non-current assets	5,065,814	7,112,182
Current assets	39,652,153	39,732,708
Non-current liability	-	(1,317,900)
Current liabilities	(11,774,269)	(21,453,708)
Net assets	32,943,698	24,073,282
Summarised statement of comprehensive income		
Revenue	62,945,698	47,408,207
Profit for the financial year	8,067,499	1,648,421
Total comprehensive income	8,067,499	1,648,421
Summarised cash flow information		
Cash flows from operating activities	17,937,412	93,804
Cash flows (used in)/from investing activities	(278,613)	146,802
Cash flows used in financing activities	(9,963,075)	(1,345,199)
Net increase/(decrease) in cash and cash equivalents	7,695,724	(1,104,593)
Dividends paid to non-controlling interests	192,000	-

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN ASSOCIATES

	Group	
	2022	2021
	RM	RM
Unquoted shares, at cost	12,912,051	12,912,051
Share of post-acquisition reserves, net of dividend received	3,873,879	2,941,624
Foreign currency translation differences	3,709,293	3,476,068
	20,495,223	19,329,743

The details of the associates are as follows:

Name of associates	Principal place of business	Principal activities	Ownership interest	
			2022	2021
Associates of UCSB:				
Unigel IP Limited ("UIP")*	Hong Kong	Provision of licensing services for intellectual property rights.	40%	40%
Unigel (UK) Limited ("Unigel (UK)")*	United Kingdom	Manufacture and sale of cable filling and flooding compounds and associated pumping and delivery equipment.	40%	40%
Subsidiary of Unigel (UK):				
Unigel Incorporated ("UI")*	United States of America	Manufacture of thixotropic gel.	100%	100%

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

- (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 2022 have been used.
- (b) Summarised financial information of material associate:

	Unigel (UK)	
	2022	2021
	RM	RM
At 31 March		
Asset and liabilities		
Non-current assets	7,813,480	8,562,269
Current assets	30,094,404	20,474,153
Current liabilities	(24,682,816)	(16,911,149)
Net assets	13,225,068	12,125,273

NOTES TO THE FINANCIAL STATEMENTS

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9. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Summarised financial information of material associate: (cont'd)

	Unigel (UK)	
	2022	2021
	RM	RM
12-Month Period Ended 31 March		
Results:		
Revenue	77,927,933	56,623,100
Profit for the financial year	2,170,330	2,127,855
Other comprehensive income/(loss)	249,745	(556,100)
Total comprehensive income	2,420,076	1,571,755

(c) Reconciliations of information to the carrying amount of the Group's interest in the associates:

	Unigel (UK)	Other individual immaterial associate	Total
	RM	RM	RM
2022			
Group's share of results:			
Group's share of profit for the financial year	968,030	736,866	1,704,896
Group's share of other comprehensive income	99,898	-	99,898
Dividend received	342,156	456,208	798,364
Reconciliation of net assets to carrying amount:			
Group's share of net assets	5,290,027	358,920	5,648,947
Goodwill	14,846,276	-	14,846,276
Carrying amount in the statements of financial position	20,136,303	358,920	20,495,223
2021			
Group's share of results:			
Group's share of profit for the financial year	628,702	490,465	1,119,167
Group's share of other comprehensive loss	(222,440)	-	(222,440)
Dividend received	218,207	370,952	589,159
Reconciliation of net assets to carrying amount:			
Group's share of net assets	4,850,109	294,030	5,144,139
Goodwill	14,185,604	-	14,185,604
Carrying amount in the statements of financial position	19,035,713	294,030	19,329,743

NOTES TO THE FINANCIAL STATEMENTS

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10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets/(liabilities)				
At the beginning of the financial year	(295,464)	(447,160)	(404,355)	(514,662)
Recognised in profit or loss (Note 22)	(382,622)	149,275	(382,622)	110,307
Translation differences	(870)	2,421	-	-
At the end of the financial year	(678,956)	(295,464)	(786,977)	(404,355)
Presented after appropriate offsetting as follows:				
Deferred tax assets	55,019	55,019	-	-
Deferred tax liabilities	(733,975)	(350,483)	(786,977)	(404,355)
	(678,956)	(295,464)	(786,977)	(404,355)

This is in respect of deferred tax assets/(liabilities) arising from the following temporary differences:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets				
Provision	55,019	55,019	-	-
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax base	(1,726,474)	(725,269)	(786,977)	(404,355)
Provision	992,499	374,786	-	-
	(733,975)	(350,483)	(786,977)	(404,355)
	(678,956)	(295,464)	(786,977)	(404,355)

NOTES TO THE FINANCIAL STATEMENTS

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

Unrecognised deferred tax assets

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2022	2021
	RM	RM
Unabsorbed capital allowances	2,210,907	2,330,794
Unused tax losses	7,023,605	14,493,078
Other deductible differences	3,023,537	2,736,655
	12,258,049	19,560,527

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2022	2021
	RM	RM
2028	-	5,349,641
2029	-	1,868,695
2030	442,216	2,182,572
2031	5,092,170	5,092,170
2032	1,489,219	-
	7,023,605	14,493,078

NOTES TO THE FINANCIAL STATEMENTS

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11. INVENTORIES

	Group	
	2022	2021
	RM	RM
At lower of cost or net realisable value:		
Raw materials	5,401,854	6,316,695
Work-in-progress	8,306	135,344
Finished goods	5,480,507	7,485,949
	10,890,667	13,937,988
Recognised in profit or loss:		
Inventories recognised as cost of sales	58,586,625	44,179,808
Inventories written (back)/down	(439,647)	1,432,365

12. TRADE RECEIVABLES

	Note	Group	
		2022	2021
		RM	RM
Third parties		13,108,007	20,116,359
Amounts owing by associates	(b)	8,263,824	6,693,327
Less: impairment losses	(c)	(538,381)	(888,381)
Trade receivables, net		20,833,450	25,921,305

- (a) The normal credit terms offered by the Group ranging from 30 to 120 days (2021: 30 to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.
- (b) The amounts owing by associates, which are denominated in United States Dollar, are unsecured, bear interest at a rate of 4.5% (2021: 4.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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12. TRADE RECEIVABLES (CONT'D)

(c) Receivables that are impaired

The Group' trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2022 RM	2021 RM
At beginning of the financial year	888,381	1,310,861
Reversal of impairment losses (Note 21)	(350,000)	(422,480)
At end of the financial year	538,381	888,381

(d) The information about the credit exposures are disclosed in Note 27(i).

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Advances to suppliers	653,114	-	-	-
Other receivables	417,111	126,194	77,878	86,383
Deposits	111,509	112,009	111,509	112,009
Prepayments	929,712	792,383	99,981	91,388
Amounts owing by subsidiaries	-	-	4,039,081	786,562
	2,111,446	1,030,586	4,328,449	1,076,342

Amounts owing by subsidiaries are unsecured, interest-free and repayable upon demand in cash.

14. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	61,190,916	3,898,253	47,693,929	1,206,311
Short-term deposits placed with licensed banks	30,390,445	16,962,527	16,112,496	3,707,847
Deposits, cash and bank balances as presented in statements of financial position	91,581,361	20,860,780	63,806,425	4,914,158

The short-term deposits placed with licensed banks of the Group and of the Company are placement with period less than 3 months and bear interest at rates ranging from 0.25% to 1.70% (2021: 0.09% to 1.80%) per annum and 1.25% to 1.60% (2021: 1.50%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

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15. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2022	2021	2022	2021
	Unit	Unit	RM	RM
Issued and fully paid-up (no par value):				
At beginning of the financial year	161,249,937	161,249,937	32,249,987	32,249,987
Issuance of shares pursuant to:				
- private placement	69,337,300	-	31,809,934	-
- ESOS	48,500,000	-	36,352,985	-
At the end of the financial year	279,087,237	161,249,937	100,412,906	32,249,987

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company:

- (i) increased its issued and paid-up ordinary share capital from RM32,249,987 to RM64,059,921 by way of private placement of 69,337,300 new ordinary shares for a total cash consideration of RM31,809,934; and
- (ii) issued 48,500,000 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") for a total cash consideration of RM36,352,985.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

16. RESERVES

	Note	Group		Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
Non-distributable:					
Capital reserve		3,283	3,283	-	-
Share option reserve	(a)	1,410,195	-	1,410,195	-
Translation reserve	(b)	3,469,469	2,960,558	-	-
		4,882,947	2,963,841	1,410,195	-

NOTES TO THE FINANCIAL STATEMENTS

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16. RESERVES (CONT'D)

(a) Share option reserve

The share option reserve comprises the cumulative value of services received from directors and employees for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire/lapse, the amount from the share option reserve is transferred to retained earnings.

Share options are granted to eligible directors and employees. The options granted are vested immediately and settlement is by issuance of fully paid ordinary shares. The option price is based on the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movement in, share options:

	Company	
	Number 2022 Unit'000	WAEP 2022
At beginning of the financial year	-	-
Granted on 21 September 2021	68,000	RM0.6804
Exercised during the year	(48,500)	RM0.6804
Lapsed	(500)	RM0.6804
At end of the financial year	19,000	RM0.6804
Exercisable at the end of the financial year	19,000	RM0.6804

The options outstanding at 31 March 2022 have exercise price of RM0.6804 and the weighted average remaining contractual life for the share options outstanding as at 31 March 2022 is 4.48 years.

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16. RESERVES (CONT'D)

(a) Share option reserve (Cont'd)

The fair value of the share options granted were determined using a black scholes option pricing model, and the inputs were:

	2022
Fair value of share options and assumptions	
Weighted average fair value of share option at grant date (RM)	0.7135
Weighted average share price (RM)	0.7894
Annualised volatility (%)	62.16%
Risk-free rate (%)	1.76%
Exercise price (RM)	0.6804
Time to maturity (years)	0.0833
Dividend yield	2.015%

The expected volatility reflected the assumption that the historical volatility was an indicative of future trends, which may also not necessarily be the actual outcome.

(b) Translation Reserve

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

17. LOANS AND BORROWINGS

	Note	Group	
		2022 RM	2021 RM
Non-current			
Lease liabilities	(b)	-	22,166
Current			
Bank borrowings	(a)	-	1,142,176
Lease liabilities	(b)	22,167	28,418
		22,167	1,170,594
Total loans and borrowings:			
Bank borrowings	(a)	-	1,142,176
Lease liabilities	(b)	22,167	50,584
		22,167	1,192,760

NOTES TO THE FINANCIAL STATEMENTS

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17. LOANS AND BORROWINGS (CONT'D)

(a) Bank borrowings

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.

The weighted average effective interest rate of the bank borrowings of the Group at the end of the reporting period is Nil (2021: 1.82%).

(b) Lease liabilities

The incremental borrowing rates applied to the lease liabilities with a rate of 4.50% (2021: 4.50%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2022 RM	2021 RM
Minimum lease payments:		
Not later than one year	22,500	30,000
Later than one year and not later than 5 years	-	22,500
	22,500	52,500
Less: Future finance charges	(333)	(1,916)
Present value of minimum lease payments	22,167	50,584
Present value of minimum lease payments:		
Not later than one year	22,167	28,418
Later than one year and not later than 5 years	-	22,166
	22,167	50,584
Less: Amount due within 12 months	(22,167)	(28,418)
Amount due after 12 months	-	22,166

18. TRADE PAYABLE

	Group	
	2022 RM	2021 RM
Third parties	7,743,997	9,442,239
Related parties	60,125	-
Amount owing to a corporate shareholder of a subsidiary	-	14,926
	7,804,122	9,457,165

(a) The normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).

(b) In the previous financial year, the amount owing to a corporate shareholder of a subsidiary was unsecured, interest-free and repayable upon demand in cash.

NOTES TO THE FINANCIAL STATEMENTS

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19. OTHER PAYABLES AND ACCRUALS

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Amounts owing to subsidiaries	(a)	-	-	1,618,442	3,623,417
Amount owing to a corporate shareholder of a subsidiary	(b)	-	8,048,134	-	-
Other payables		2,513,706	5,784,748	193,054	191,449
Accruals		2,540,731	1,806,391	154,487	202,192
		5,054,437	15,639,273	1,965,983	4,017,058

(a) The amounts owing to subsidiaries are unsecured, interest-free and repayable upon demand in cash.

(b) In the previous financial year, the amount owing to a corporate shareholder of a subsidiary, which arose mainly from dividend payable, was unsecured, interest-free and repayable upon demand in cash.

20. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At a point in time:				
Sale of cables	42,677,226	36,455,181	-	-
Sale of accessories	9,307,365	4,685,779	-	-
Sales of oil based industrial materials	2,378,549	777,163	-	-
Sales of thixotropic gel	19,970,499	17,395,585	-	-
Other services income	12,033,228	5,664,446	-	-
	86,366,867	64,978,154	-	-
Recognised over time:				
Engineering services income	597,422	1,887,049	-	-
Revenue from other sources:				
Rental income from related parties	-	67,485	-	67,485
Rental income from subsidiaries	-	-	2,377,200	2,079,700
Rental income from third parties	209,447	61,502	209,447	61,502
Dividend income from subsidiaries	-	-	448,000	404,000
	209,447	128,987	3,034,647	2,612,687
	87,173,736	66,994,190	3,034,647	2,612,687

NOTES TO THE FINANCIAL STATEMENTS

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21. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:					
- current year		173,000	170,000	48,000	48,000
- non-statutory audit		5,000	5,000	5,000	5,000
Covid-19 related rent concessions		-	(500)	-	-
Depreciation of investment properties	7	-	-	359,237	343,516
Depreciation of property, plant and equipment	5	1,717,159	2,172,053	69,752	75,551
Depreciation of right-of-use assets	6	252,245	307,574	223,499	223,500
Employee benefits expenses	(a)	11,446,170	7,390,597	1,504,243	318,605
Expenses relating to short-term leases and low value assets		26,380	247,000	-	-
Gain on disposal of property, plant and equipment		(161,299)	(20,625)	-	-
Gain on foreign exchange:					
- realised		(130,987)	(265,728)	-	-
- unrealised		(53,745)	(164,582)	-	-
Impairment losses on property, plant and equipment	5	-	2,895,362	-	-
Interest expense on:					
- bank borrowings		18,091	16,829	-	-
- lease liabilities		1,582	1,036	-	-
Interest income		(813,974)	(356,688)	(474,448)	(34,752)
Property, plant and equipment written off		26,416	6,632	-	1,162
Reversal of impairment losses on trade receivable	12	(350,000)	(422,480)	-	-
Inventories written (back)/down	11	(439,647)	1,432,365	-	-

NOTES TO THE FINANCIAL STATEMENTS

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21. PROFIT/(LOSS) BEFORE TAX (CONT'D)

(a) Employee benefits expenses:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries, wages, bonuses and others	5,979,656	6,745,610	217,000	318,605
Defined contribution plan	608,834	644,987	-	-
Share-based payment expense	4,857,680	-	1,287,243	-
	11,446,170	7,390,597	1,504,243	318,605

(b) Included in employee benefits expenses are:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors of the company				
Executive:				
- fees	36,100	35,000	16,600	14,400
- salaries, bonuses and other benefits	161,902	14,957	7,500	14,500
- defined contribution benefits	18,480	63	-	-
- shared-based payment expense	679,100	-	-	-
	895,582	50,020	24,100	28,900
Non-executive:				
- fees	105,400	122,867	105,400	110,357
- salaries, bonuses and other benefits	87,500	178,548	87,500	178,500
- shared-based payment expense	1,054,700	-	1,054,700	-
	1,247,600	301,415	1,247,600	288,857
	2,143,182	351,435	1,271,700	317,757
Directors of the subsidiaries				
Executive:				
- fees	41,452	98,708	-	-
- salaries, bonuses and other benefits	580,127	771,003	-	-
- Defined contribution benefits	78,662	92,484	-	-
- shared-based payment expense	1,222,380	-	-	-
	1,922,621	962,195	-	-
Total directors' remuneration	4,065,803	1,313,630	1,271,700	317,757

NOTES TO THE FINANCIAL STATEMENTS

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22. TAX EXPENSE/(CREDIT)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Statements of comprehensive income				
Current tax:				
- Current income tax charge	821,498	438,621	193,569	8,338
- Adjustment in respect of prior years	(42,147)	(63,775)	3	(37,300)
	779,351	374,846	193,572	(28,962)
Deferred tax (Note 10)				
- Origination of temporary differences	73,114	39,140	73,114	73,546
- Adjustment in respect of prior years	309,508	(188,415)	309,508	(183,853)
	382,622	(149,275)	382,622	(110,307)
Tax expense/(credit)	1,161,973	225,571	576,194	(139,269)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable profit/(loss) for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax	7,561,223	3,387,679	(174,302)	88,853
Tax at Malaysian statutory income tax rate of 24% (2021: 24%)	1,814,694	813,043	(41,832)	21,325
Tax effects arising from:				
Share of results in associates	(409,175)	(268,600)	-	-
Non-deductible expenses	1,428,418	277,419	416,035	157,519
Non-taxable income	(186,730)	-	(107,520)	(96,960)
Deferred tax assets not recognised during the financial year	443,566	-	-	-
Utilisation of previously unrecognised deferred tax assets	(2,196,161)	(344,101)	-	-
Adjustments in respect of prior years:				
- current tax	(42,147)	(63,775)	3	(37,300)
- deferred tax	309,508	(188,415)	309,508	(183,853)
Tax expense/(credit)	1,161,973	225,571	576,194	(139,269)

NOTES TO THE FINANCIAL STATEMENTS

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23. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2022	2021
Profit attributable to owners of the Company (RM)	3,946,456	2,587,581
Weighted average number of ordinary shares for basic earnings per share	220,699,131	161,249,937
Basic earnings per share (sen)	1.79	1.60

(b) Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2022	2021
Profit attributable to owners of the Company (RM)	3,946,456	2,587,581
Weighted average number of ordinary shares for basic earnings per share	220,699,131	161,249,937
Effect of dilution from share option	2,623,512	-
Weighted average number of ordinary shares for diluted earnings per share	223,322,643	161,249,937
Diluted earnings per ordinary shares (sen)	1.77	1.60

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements other than the issuance of 19,000,000 ordinary shares pursuant to the exercise of ESOS.

NOTES TO THE FINANCIAL STATEMENTS

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24. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associates;
- (iii) Entities in which certain directors have financial interests; and
- (iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Subsidiaries:				
- Dividend income	-	-	(448,000)	(404,000)
- Rental income	-	-	(2,377,200)	(2,079,700)
- Administrative fee	-	-	912,000	912,000
Associates:				
- Sales	(21,535,475)	(16,067,985)	-	-
- Dividend income	(772,643)	(509,013)	-	-
- Interest income	(114,497)	(122,079)	-	-
- Other income	-	(2,705)	-	-
- Purchases	1,627,648	1,842,224	-	-
- Commission	134,523	215,672	-	-
Related parties:				
- Rental income	-	(67,485)	-	(67,485)
- Commission	-	630,823	-	-
- Sales	-	(76,405)	-	-
- Purchases	9,463	691,575	-	-
- Rental	-	205,000	-	-
- Purchase of plant and equipment	135,530	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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24. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

Key management personnel including personnel having authority and responsibility for planning, directing and controlling the activities of the entities directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fees	182,952	256,575	122,000	124,757
Salaries, bonuses and other benefits	1,260,135	1,339,314	95,000	193,000
Defined contribution benefits	148,936	137,475	-	-
Shared-based payment expense	3,635,280	-	1,054,700	-
	5,227,303	1,733,364	1,271,700	317,757

25. SEGMENT INFORMATION

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:

Segments	Products and services
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.

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as Group's Executive Committee believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding deferred tax assets and investment in associates) of a segment, as included in the internal reports that are reviewed by the Group's Executive Committee.

Segment liabilities

The total of segment liabilities is measured based on all liabilities (excluding deferred tax liabilities) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Committee.

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25. SEGMENT INFORMATION (CONT'D)

	Note	Manufacturing RM	Trading and engineering services RM	Other operations RM	Adjustments and eliminations RM	Consolidation RM
2022						
Revenue						
External revenue		72,595,302	14,368,987	209,447	-	87,173,736
Inter-segment revenue	(a)	776,302	12,555,463	5,681,200	(19,012,965)	-
Total revenue		73,371,604	26,924,450	5,890,647	(19,012,965)	87,173,736
Results						
<i>Included in the measure of segment profit are:</i>						
Depreciation of right-of-use assets		1,940,225	28,745	223,500	(1,940,225)	252,245
Depreciation of property, plant and equipment		1,298,671	47,183	69,752	301,553	1,717,159
Share-based payment expense		2,385,183	937,519	1,534,978	-	4,857,680
Finance costs		6,511	11,580	-	-	18,091
Gain on disposal of property, plant and equipment		-	-	(161,299)	-	(161,299)
Gain on foreign exchange:						
- realised		(101,205)	(29,782)	-	-	(130,987)
- unrealised		(53,745)	-	-	-	(53,745)
Interest expense		188,140	1,582	-	(188,140)	1,582
Interest income		(315,013)	(17,335)	(481,626)	-	(813,974)
Inventories written back		(439,647)	-	-	-	(439,647)
Property, plant and equipment written off		18,886	7,530	-	-	26,416
Reversal of impairment losses on trade receivable		(350,000)	-	-	-	(350,000)

NOTES TO THE FINANCIAL STATEMENTS

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25. SEGMENT INFORMATION (CONT'D)

	Note	Manufacturing RM	Trading and engineering services RM	Other operations RM	Adjustments and eliminations RM	Consolidation RM
2022 (Cont'd)						
<i>Not included in the measure of segment profit but provided to Group's Executive Committee are:</i>						
Share of result of equity-accounted associates		1,704,896	-	-	-	1,704,896
Segment profit before tax	(b)	7,625,757	1,002,357	33,338	(1,100,229)	7,561,223
Assets						
Addition to non-current assets excluding deferred tax assets and investment in associates	(c)	440,955	10,009	77,814	-	528,778
Segment assets	(d)	87,721,678	4,559,206	122,556,603	(33,177,996)	181,659,491
Liabilities						
Segment liabilities	(e)	20,878,651	1,371,741	3,047,128	(11,396,038)	13,901,482

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25. SEGMENT INFORMATION (CONT'D)

	Note	Manufacturing RM	Trading and engineering services RM	Other operations RM	Adjustments and eliminations RM	Consolidation RM
2021						
Revenue						
External revenue		57,914,114	8,951,089	128,987	-	66,994,190
Inter-segment revenue	(a)	1,018,615	6,939,857	5,339,700	(13,298,172)	-
Total revenue		58,932,729	15,890,946	5,468,687	(13,298,172)	66,994,190
Results						
<i>Included in the measure of segment profit are:</i>						
Covid-19 related rent concessions		-	(500)	-	-	(500)
Depreciation of right-of-use assets		55,630	28,444	223,500	-	307,574
Depreciation of property, plant and equipment		1,683,909	69,077	419,067	-	2,172,053
Finance costs		16,829	-	-	-	16,829
Gain on disposal of property, plant and equipment		(20,625)	-	-	-	(20,625)
(Gain)/Loss on foreign exchange:						
- realised		(271,528)	5,800	-	-	(265,728)
- unrealised		(164,582)	-	-	-	(164,582)
Impairment losses on property, plant and equipment		2,895,362	-	-	-	2,895,362
Interest expense		232,247	1,520	7,428	(240,159)	1,036
Interest income		(295,312)	(15,521)	(45,855)	-	(356,688)
Inventories written down		1,432,365	-	-	-	1,432,365
Property, plant and equipment written off		-	5,470	1,162	-	6,632
Reversal of impairment losses on trade receivable		(422,480)	-	-	-	(422,480)

NOTES TO THE FINANCIAL STATEMENTS

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25. SEGMENT INFORMATION (CONT'D)

		Manufacturing	Trading and engineering services	Other operations	Adjustments and eliminations	Consolidation
	Note	RM	RM	RM	RM	RM
2021 (Cont'd)						
<i>Not included in the measure of segment profit but provided to Group's Executive Committee are:</i>						
Share of result of equity-accounted associates		1,119,167	-	-	-	1,119,167
Segment profit before tax	(b)	2,685,784	1,150,460	354,428	(802,993)	3,387,679
Assets						
Addition to non-current assets excluding deferred tax assets and investment in associates	(c)	2,240,935	15,775	130,801	-	2,387,511
Segment assets	(d)	89,359,157	3,759,871	52,947,268	(27,878,290)	118,188,006
Liabilities						
Segment liabilities	(e)	30,824,759	1,885,727	4,813,853	(10,671,167)	26,853,172

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Inter-segment transactions are eliminated on consolidation.
- (c) Additions to non-current assets (excluding deferred tax assets and investment in associates) consists of:

		Group	
	Note	2022 RM	2021 RM
Property, plant and equipment	5	528,778	2,387,511

NOTES TO THE FINANCIAL STATEMENTS

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25. SEGMENT INFORMATION (CONT'D)

- (d) The following items are deducted from segment assets to arrive at total assets reported in the Group's statement of financial position:

	Group	
	2022	2021
	RM	RM
Investment in associates	3,840,605	2,912,709
Inter-segment assets	(37,018,601)	(30,790,999)
	(33,177,996)	(27,878,290)

- (e) The following items are deducted from segment liabilities to arrive at total liabilities reported in the Group's statement of financial position:

	Group	
	2022	2021
	RM	RM
Deferred tax liabilities	(175,921)	(175,921)
Inter-segment liabilities	(11,220,117)	(10,495,246)
	(11,396,038)	(10,671,167)

Geographical information

Revenue based on geographical location of customers are as follows:

	Group	
	2022	2021
	RM	RM
Malaysia	64,902,620	48,838,460
United Kingdom	21,555,440	15,260,759
China	315,739	1,764,183
United States	-	729,671
Others	399,937	401,117
	87,173,736	66,994,190

The Group operates predominantly in Malaysia and accordingly, the non-current assets of the Group are located in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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25. SEGMENT INFORMATION (CONT'D)

Information about major customers

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

	Group		Segment
	2022 RM	2021 RM	
Customer 1	38,408,198	30,670,719	Manufacturing
Customer 2	21,528,970	15,443,312	Manufacturing
Customer 3	10,309,129	5,664,446	Trading and engineering services

26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Amortised cost				
Financial assets				
Trade receivables	20,833,450	25,921,305	-	-
Other receivables and deposits, net of advances to suppliers and prepayments	528,620	238,203	4,228,468	984,954
Deposits, cash and bank balances	91,581,361	20,860,780	63,806,425	4,914,158
	112,943,431	47,020,288	68,034,893	5,899,112
Financial liabilities				
Trade payables	7,804,122	9,457,165	-	-
Other payables and accruals	5,054,437	15,639,273	1,965,983	4,017,058
Loans and borrowings	-	1,142,176	-	-
	12,858,559	26,238,614	1,965,983	4,017,058

(b) Fair value measurement

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. The Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Trade receivables

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

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables by industry sector profile on an ongoing basis. At the end of the reporting period, approximately 80% (2021: 85%) of the Group's trade receivables was due from two (2021: three) major customers.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risks characteristics and the days past due.

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27. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Credit risk concentration profile (cont'd)

The information about the credit risk exposure on the Group's trade receivable is as follows:

	2022	2021
	RM	RM
Group		
2022		
Current	13,908,817	12,935,250
1 to 30 days past due	3,002,209	4,506,936
31 to 60 days past due	2,758,245	3,703,581
61 to 90 days past due	114,832	1,959,014
91 to 120 days past due	280,243	2,468,859
More than 121 days past due	769,104	347,665
	20,833,450	25,921,305
Impaired - individually	538,381	888,381
Carrying amount	21,371,831	26,809,686

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial asset are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible. Refer to Note 3.15(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantees contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM6,145,034 (2021: RM11,204,748) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 27(iv). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(ii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency).

The Group has transactional currency exposures arising from sales and purchases that are denominated in currencies other than the functional currency of the Group entities, primarily in United States Dollar ("USD"). 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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27. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	United States Dollar	
	2022 RM	2021 RM
Group		
Assets		
Trade receivables	13,066	148,516
Deposit, cash and bank balances	672,690	2,005,233
	685,756	2,153,749
Liabilities		
Trade payables	4,498,040	5,882,995
Other payables and accruals	146,273	1,535,669
	4,644,313	7,418,664

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, with all other variables held constant on the Group's profit for the financial year.

	Effect on profit for the financial year	
	Group	
	2022 RM	2021 RM
USD/RM		
- strengthened by 5%	(150,425)	(200,067)
- weakened by 5%	150,425	200,067

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) 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 relates to interest bearing financial liabilities and financial asset. Interest bearing financial liabilities includes bank borrowings. Interest-bearing financial asset includes short-term deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk.

The exposure to interest rate risk of the Group is not material and therefore, sensitivity analysis is not presented.

(iv) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade payables, other payables and loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through certain committed credit facilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	← Contractual undiscounted cash flows →				Total RM
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2022					
Group					
Financial liabilities:					
Trade payables	7,804,122	7,804,122	-	-	7,804,122
Other payables and accruals	5,054,437	5,054,437	-	-	5,054,437
Lease liabilities	22,167	22,500	-	-	22,500
	12,880,726	12,881,059	-	-	12,881,059

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (Cont'd)

	← Contractual undiscounted cash flows →				Total RM
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2022 (Cont'd)					
Company					
Financial liabilities:					
Other payables and accruals	1,965,983	1,965,983	-	-	1,965,983
Corporate guarantee given to licensed banks to secure banking facilities granted to certain subsidiaries*	-	6,145,034	-	-	6,145,034
	1,965,983	8,111,017	-	-	8,111,017
2021					
Group					
Financial liabilities:					
Trade payables	9,457,165	9,457,165	-	-	9,457,165
Other payables and accruals	15,639,273	15,639,273	-	-	15,639,273
Bank borrowings	1,142,176	1,142,176	-	-	1,142,176
Lease liabilities	50,584	30,000	22,500	-	52,500
	26,289,198	26,268,614	22,500	-	26,291,114
Company					
Financial liabilities:					
Other payables and accruals	4,017,058	4,017,058	-	-	4,017,058
Corporate guarantee given to licensed banks to secure banking facilities granted to certain subsidiaries*	-	11,204,748	-	-	11,204,748
	4,017,058	15,221,806	-	-	15,221,806

* The Company provides unsecured corporate guarantee to banks in respect of credit and banking facilities granted to certain subsidiaries. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

28. LEASE COMMITMENTS

Operating lease commitments – The Company as lessor

The investment properties of the Company are leased to subsidiaries, related parties and third-party customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1.5 to 3 years and an option that is exercisable by the subsidiaries to extend their leases for 1 to 5 years.

The maturity analysis of the Company's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Company	
	2022	2021
	RM	RM
Within 1 year	2,610,072	2,586,647
Between 1 and 2 years	820,872	2,610,072
Between 2 and 3 years	789,372	820,872
Between 3 and 4 years	46,872	789,372
Between 4 and 5 years	46,872	46,872
Later than 5 years	-	46,872
	4,314,060	6,900,707

29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 10 May 2022, the Company had subscribed for an additional 50,000 ordinary shares in Opcom Lube & Solutions Sdn. Bhd. ("OLSSB") for a total cash consideration of RM50,000. The subscription does not change the effective equity interest held by the Company.
- (b) On 15 June 2022, the Company had incorporated a 100% owned subsidiary, namely Opcom VC Sdn. Bhd. ("OVCSB") with an issued and paid-up capital of 1 ordinary share of RM1. The intended principal activities of OVCSB are project management services which include supply of cables, hardware and accessories, engineering consultation, information technology software and services management.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2022 and 31 March 2021.

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:

	Group	
	2022 RM	2021 RM
Total debt	-	1,142,176
Total equity	167,758,009	91,334,834
Debt-to-equity ratio	*	0.01

* Insignificant

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

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **ONG SOON LIM** and **TEH LI KING**, being two of the directors of Opcom Holdings Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

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

ONG SOON LIM
Director

TEH LI KING
Director

Kuala Lumpur

Date: 22 July 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **DR. CHAN AI JOO**, being the officer primarily responsible for the financial management of Opcom Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DR. CHAN AI JOO
(MIA Membership No: 24227)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 22 July 2022.

Before me,

Hadinur Mohd Syarif
Commissioner for Oaths
No. W-761

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Opcom Holdings Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of 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 57 to 127.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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.

Group

Property, plant and equipment (Note 4(a) and Note 5 to the financial statements)

The Group assesses the impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved judgement. The judgements are exercised over the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin.

Our response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- considering and evaluating the appropriateness of the methodology and method adopted by the Group in measuring the recoverable amount is in accordance to the requirements of *MFRS 136 Impairment of Assets*;
- comparing the Group's key assumptions to our assessments in relation to key inputs;
- testing the mathematical accuracy of the impairment assessment; and
- analysing the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT

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

Key Audit Matters (Cont'd)

Group (Cont'd)

Investment in an associate (Note 4(b) and Note 9 to the financial statements)

The Group has an investment in an associate. At the end of the financial year, the Group determines whether objective evidence of impairment exists for its investment in the associate.

We focused on this area because the Group's assessment of the recoverable amount involved judgement. The recoverable amount of investment in the associate was determined based on value-in-use which includes the discount rate applied in the recoverable amount calculation and the assumption supporting the underlying cash flow projections which include future sales, gross profit margin and operating expenses.

Our response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- comparing the Group's assumptions to our assessment of key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- analysing the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Company

We have determined that there are no key audit matters to be communicated in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

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

Cont'd

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT

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

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

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 Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by another firm of chartered accountants whose report dated 2 August 2021 expressed an unmodified opinion on those financial statements.
2. 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.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2024 J
Chartered Accountant

Kuala Lumpur

Date: 22 July 2022

LIST OF PROPERTY

AS AT 31 MARCH 2022

Registered owner	Location / Tenure	Description/ Existing Use	Land Area / Built Up Area (sq. m.)	Date of Acquisition / [Revaluation]	Approximate Age of Building	NBV / Group Carrying Amount @ 31 March 2022
Opcom Holdings Berhad	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 /Leasehold	<ul style="list-style-type: none"> - Manufacturing blocks - Office building - Warehouses - Open storage yards - Car parks - Guardhouse 	29,450 / 15,282	Land 10.07.2012 Building 16.05.2014 (Acquisition)	Age of manufacturing blocks approximately 20 years and less Age of other buildings/ structures: no more than 30 years	24,052,277

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

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	332	4.97	10,594	0.00
100 - 1,000	1,015	15.20	630,476	0.23
1,001 - 10,000	3,482	52.14	18,426,486	6.60
10,001 - 100,000	1,546	23.15	51,084,831	18.30
100,001 to less than 5% of issued shares	303	4.54	208,934,850	74.87
5% and above of issued shares	-	-	-	-
TOTAL	6,678	100.00	279,087,237	100.00

THIRTY LARGEST SHAREHOLDERS

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG (SMART)	12,450,000	4.46
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG	10,894,400	3.90
3	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HII CHII KOK @ HII CHEE KOK (MY1723)	7,109,000	2.55
4	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (MY3918)	6,500,000	2.33
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	6,010,000	2.15
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG	5,700,000	2.04
7	KHOO MEI LING	5,180,000	1.86
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	4,804,500	1.72
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR DATO' ONG CHOO MENG (PB)	4,800,000	1.72
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK (7009898)	4,500,000	1.61
11	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	4,450,000	1.59
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	4,000,000	1.43

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

Cont'd

THIRTY LARGEST SHAREHOLDERS (CONT'D)

RANK	NAME	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG AH CHAI (PB)	3,700,000	1.33
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHIAU HAW CHOON (SMART)	3,350,000	1.20
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU (7010857)	3,000,000	1.07
16	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	2,911,300	1.04
17	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	2,857,500	1.02
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SOON HO (DATO) (KLC/ UOB)	2,630,600	0.94
19	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SOON HO	2,591,600	0.93
20	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (PB-TAIM-M-R)	2,513,600	0.90
21	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	2,492,500	0.89
22	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	2,430,000	0.87
23	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN	2,360,800	0.85
24	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG (M&A)	2,300,000	0.82
25	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIVABALAN A/L MUTHUSAMY (MF00077)	1,826,000	0.65
26	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK (MY2975)	1,600,000	0.57
27	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,579,700	0.57
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE BOON SIANG	1,550,000	0.56
29	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	1,520,700	0.54
30	YAP FUNG MEI	1,500,000	0.54
	TOTAL	119,112,200	42.65

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

Cont'd

SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

NAME	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
DATO' ONG CHOO MENG	44,344,400	15.89	-	-

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	-	-	-	-
LIM KIM LEE (f)	-	-	-	-

NOTICE OF ANNUAL GENERAL MEETINGS

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting (“**27th AGM**”) of Opcom Holdings Berhad (“**OPCOM**” or “**the Company**”) will be conducted in a virtual manner through live streaming from the Conference Room of Opcom Holdings Berhad at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan (“**Broadcast Venue**”) on Thursday, 22 September 2022 at 10.00 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 and the Reports of Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. To approve the payment of Directors’ fees of RM122,000.00 for the financial year ended 31 March 2022. | Ordinary Resolution 1
<i>(Please refer to Explanatory Note 2)</i> |
| 3. To approve the payment of Directors’ benefits to the Directors up to an amount of RM200,000.00 from 23 September 2022 until the next Annual General Meeting of the Company. | Ordinary Resolution 2
<i>(Please refer to Explanatory Note 2)</i> |
| 4. To re-elect Mr. Teh Li King who retires pursuant to Article 90(1) of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. To re-elect Ms. Lim Kim Lee who retires pursuant to Article 83 of the Company’s Constitution. | Ordinary Resolution 4 |
| 6. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to determine their remuneration. | Ordinary Resolution 5 |

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. | Ordinary Resolution 6
<i>(Please refer to Explanatory Note 3)</i> |
|---|---|

“THAT subject always to Sections 75 and 76 of the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to the extension of the implementation period of the enhanced general mandate announced by Bursa Securities on 23 December 2021 and thereafter, ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Rule 6.04(1) of the Bursa Securities ACE Market Listing Requirements to be utilised before the conclusion of the next Annual General Meeting (“**AGM**”) of the Company; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

NOTICE OF ANNUAL GENERAL MEETINGS

Cont'd

8. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 7
(Please refer to Explanatory Note 4)

"THAT approval be and is hereby given to the Company and/or its subsidiary(ies) ("**OPCOM Group**") to enter into and give effect to the recurrent related party transactions with the related parties as specified in Section 2.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate dated 29 July 2022 which are necessary for the day-to-day operations of the OPCOM Group, the transactions are in the ordinary course of business, the transactions are undertaken at an arm's length basis and are on normal commercial terms which are not more favourable to the related parties than those generally available to third party and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Act [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the Proposed Shareholders' Mandate."

9. **Proposed New Share Buy-Back Authority**

Ordinary Resolution 8
(Please refer to Explanatory Note 5)

"THAT subject always to compliance with the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors be and are hereby authorised to make purchases of ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and

NOTICE OF ANNUAL GENERAL MEETINGS

Cont'd

- (iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
 - (a) the conclusion of the next AGM of the Company following the forthcoming 27th AGM, at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - (b) the expiration of the period within which the next AGM of OPCOM after that date it is required by law to be held pursuant to Section 340(2) of the Act [(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)]; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders of OPCOM in a general meeting;

whichever is earlier;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel the OPCOM shares so purchased; and/or
- (ii) retain the OPCOM shares so purchased as Treasury Shares; and/or
- (iii) retain part of the OPCOM Shares so purchased as Treasury Shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and ACE Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution.”

- 10. 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

Kuala Lumpur

Date: 29 July 2022

NOTICE OF ANNUAL GENERAL MEETINGS

Cont'd

Notes:

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia. Shareholders who wish to participate in the 27th AGM will have to register via the link <https://vps.megacorp.com.my/gOruqE>. Members are advised to refer to the Administrative Guide which is available on the Company's website at www.opcom.com.my, for remote participation access and electronic voting at the 27th 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 of 15 September 2022 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 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 security 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 the proxy form, kindly refer to the Administrative Guide 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 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.

2. Ordinary Resolutions 1 and 2

Proposed payment of Directors' Fees

Proposed payment of Directors' Benefits to the 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 27th 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 2022; and
- Ordinary Resolution 2 on payment of Directors' benefits from 23 September 2022 until the next AGM.

The Directors' benefits of the Company which is estimated not to exceed RM200,000.00 basically the meeting allowances for Board/Board Committee meetings attended/to be attended for the period from 23 September 2022 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 Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2022.

NOTICE OF ANNUAL GENERAL MEETINGS

Cont'd

3. **Ordinary Resolution 6** **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6, if passed, is a renewal general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the total number of issued share of the Company for the time being 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 best interest of the Company.

Bursa Securities has via their letter dated 23 December 2021 granted an extension to the temporary relief measures to listed corporations, amongst others, an increase in the general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("**20% General Mandate**"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated. The 20% General Mandate and 10% General Mandate are sought to provide flexibility to the Company for allotment of shares without convening a general meeting, which may be both time and cost-consuming, if the need arises.

Having considered the current economic climate arising from the global Covid-19 pandemic and the future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Act from its shareholders at the 27th AGM of the Company.

The 20% General Mandate 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. The 20% General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the end of 31 December 2022.

The previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.

4. **Ordinary Resolution 7** **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature ("Proposed Shareholders' Mandate")**

The proposed Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiary(ies) ("**OPCOM Group**") to enter into the Recurrent Related Party Transactions of a Revenue and/or Trading Nature in the ordinary course of its business, which is necessary for the OPCOM Group's day-to-day operations with the related parties as set out in the Circular to Shareholders dated 29 July 2022.

Please refer to the Circular to Shareholders dated 29 July 2022 for further details.

5. **Ordinary Resolution 8** **Proposed New Share Buy-Back Authority**

The proposed Ordinary Resolution 8, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 29 July 2022 for further details.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

*PURSUANT TO RULE 8.29(2), APPENDIX 8A OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD*

The profile of Ms. Lim Kim Lee (f) who is standing for re-election pursuant to Article 83 of the Constitution of the Company at the Twenty-Seventh Annual General Meeting is set out on page 22 of the 2022 Annual Report. The details of the Director's interest in the securities of the Company are stated in the "Analysis of Shareholdings" section of the 2022 Annual Report.

PERSONAL DATA PROTECTION ACT 2010

Dear Valued Shareholders,

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

This written notice (“**Notice**”) is given in connection with you being a shareholder of OPCOM HOLDINGS BERHAD (“**the 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 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.

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PROXY FORM

OPCOM HOLDINGS BERHAD

Registration No. 199401036979 (322661-W)

Number of shares held	
CDS Account No.	

I/We * _____ NRIC/Passport/Company 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-Seventh Annual General Meeting ("**27th AGM**") of the Company to be conducted on in a virtual manner through live streaming from the Conference Room of Opcom Holdings Berhad at No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan on Thursday, 22 September 2022 at 10.00 a.m. and at any adjournment thereof:-

NO.	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1.	Payment of Directors' fees of RM122,000.00 for the financial year ended 31 March 2022.		
2.	Payment of Directors' benefits to the Directors up to an amount of RM200,000.00 from 23 September 2022 until the next Annual General Meeting of the Company.		
3.	Re-election of Mr. Teh Li King as Director.		
4.	Re-election of Ms. Lim Kim Lee as Director.		
5.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to determine their remuneration.		
SPECIAL BUSINESS			
6.	Authority to allot and issue shares		
7.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		
8.	Proposed New Share Buy-Back Authority.		

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 Act provided that the online platform is located in Malaysia. Shareholders who wish to participate in the 27th AGM will have to register via the link <https://vps.megacorp.com.my/gOrugE>. Members are advised to refer to the Administrative Guide which is available on the Company's website at www.opcom.com.my, for remote participation access and electronic voting at the 27th 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 of 15 September 2022 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 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 security 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 the proxy form, kindly refer to the Administrative Guide 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