



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 December 2014

The Directors are pleased to announce the following:-

#### Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 31 December 2014

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year To Date 31/12/2014 RM'000	Preceding Year To Date 31/12/2013 RM'000
Revenue		19,518	8,727	56,496	35,064
Cost of sales		<u>(15,686)</u>	<u>(7,479)</u>	<u>(48,295)</u>	<u>(31,042)</u>
<b>Gross profit</b>		3,832	1,248	8,201	4,022
Other operating income		91	36	1,232	484
Administrative expenses		(1,508)	(1,443)	(4,682)	(4,366)
Distribution costs		(739)	527	(1,630)	921
Other operating expenses		<u>(508)</u>	<u>(260)</u>	<u>(1,296)</u>	<u>(911)</u>
<b>Operating profit</b>		1,168	108	1,825	150
Interest income		318	344	997	1,165
Share of profit of equity-accounted associates, net of tax		4	-	4	-
<b>Profit before tax</b>		<u>1,490</u>	<u>452</u>	<u>2,826</u>	<u>1,315</u>
Income tax expense		<u>(422)</u>	<u>(100)</u>	<u>(758)</u>	<u>(345)</u>
<b>Profit and total comprehensive income for the period</b>	<b>B14</b>	<u>1,068</u>	<u>352</u>	<u>2,068</u>	<u>970</u>
Profit/(Loss) and total comprehensive income/(loss) attributable to:-					
Owners of the Company		1,199	437	2,577	1,256
Non-controlling interest		<u>(131)</u>	<u>(85)</u>	<u>(509)</u>	<u>(286)</u>
		<u>1,068</u>	<u>352</u>	<u>2,068</u>	<u>970</u>
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B11</b>	<u>0.74</u>	<u>0.34</u>	<u>1.60</u>	<u>0.97</u>
Diluted (sen)	<b>B11</b>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2014

	Note	As At End of Current Quarter 31/12/2014 RM'000	As At Preceding Financial Year Ended 31/03/2014 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	A9	36,410	38,326
Investment in associates		11,606	-
Deferred tax assets		7	7
		<u>48,023</u>	<u>38,333</u>
<b>Current assets</b>			
Inventories		10,939	14,532
Trade and other receivables		25,983	19,944
Derivative financial assets		-	30
Current tax assets		1,421	1,233
Cash and cash equivalents		48,323	48,532
		<u>86,666</u>	<u>84,271</u>
<b>TOTAL ASSETS</b>		<u>134,689</u>	<u>122,604</u>
<b>Equity</b>			
Share capital		32,250	25,800
Share premium		-	5,812
Reserves		116	3
Retained earnings		43,378	40,955
		<u>75,744</u>	<u>72,570</u>
<b>Non-controlling interest</b>		14,852	15,361
<b>Total equity</b>		<u>90,596</u>	<u>87,931</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,401	3,044
		<u>2,401</u>	<u>3,044</u>
<b>Current liabilities</b>			
Trade and other payables		41,251	31,237
Provisions		127	261
Current tax liabilities		314	131
		<u>41,692</u>	<u>31,629</u>
<b>Total liabilities</b>		44,093	34,673
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>134,689</u>	<u>122,604</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2014

Group	<i>Non-Distributable</i>			Translation reserve RM'000	<i>Distributable</i>		Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000		Retained earnings RM'000	Total RM'000		
Balance at 1 April 2014	25,800	5,812	3	-	40,955	72,570	15,361	87,931
Bonus issues	6,450	(5,812)	-	-	(638)	-	-	-
Dividends paid	-	-	-	-	(1,613)	(1,613)	-	(1,613)
Ownership interest in associates	-	-	-	-	2,097	2,097	-	2,097
Foreign currency translation differences for foreign operations	-	-	-	113	-	113	-	113
Total comprehensive income/ (loss) for the financial period	-	-	-	-	2,577	2,577	(509)	2,068
Balance at 31 December 2014	<u>32,250</u>	<u>-</u>	<u>3</u>	<u>113</u>	<u>43,378</u>	<u>75,744</u>	<u>14,852</u>	<u>90,596</u>
Balance at 1 April 2013	25,800	5,812	3	-	45,904	77,519	17,603	95,122
Bonus issues	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(7,740)	(7,740)	(2,100)	(9,840)
Ownership interest in associates	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	-
Total comprehensive income/ (loss) for the financial period	-	-	-	-	1,256	1,256	(286)	970
Balance at 31 December 2013	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>-</u>	<u>39,420</u>	<u>71,035</u>	<u>15,217</u>	<u>86,252</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2014

	Current Financial Period Ended 31/12/2014 RM'000	Preceding Year Corresponding Period Ended 31/12/2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,826	1,315
Adjustments for:-		
Depreciation	1,986	1,951
Interest Income	(997)	(1,165)
Other Non-cash items	(228)	(176)
Other Non-operating items	126	1
Operating profit before working capital changes	<u>3,713</u>	<u>1,926</u>
Changes in working capital:-		
Inventories	3,593	4,642
Trade and other receivables	(6,482)	2,428
Trade and other payables	9,871	(12,526)
Provisions	134	1,761
Cash used in operations	<u>10,829</u>	<u>(1,769)</u>
Tax paid	<u>(1,406)</u>	<u>(2,039)</u>
<b>Net cash generated from/(used in) operations</b>	<u>9,423</u>	<u>(3,808)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(272)	(3,631)
Proceeds from disposal of property, plant and equipment	75	1
Interest received	849	1,298
Investment in associates	(9,391)	-
<b>Net cash used in investing activities</b>	<u>(8,739)</u>	<u>(2,332)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,613)	(7,740)
<b>Net cash used in financing activities</b>	<u>(1,613)</u>	<u>(7,740)</u>
<b>Net decrease in cash and cash equivalents</b>	(929)	(13,880)
Effect of exchange rate fluctuations on cash held	720	34
<b>Cash and cash equivalents at beginning of financial period</b>	<u>48,532</u>	<u>60,872</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>48,323</u>	<u>47,026</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.



**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2014 - continued**

**Cash and cash equivalents included in the Statement of Cash Flows comprise of the following amounts in Statement of Financial Position:-**

	<b>Current Financial Period Ended 31/12/2014 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31/12/2013 RM'000</b>
Deposits placed with licensed banks	39,150	43,357
Cash and bank balances	<u>9,173</u>	<u>3,669</u>
	<b><u>48,323</u></b>	<b><u>47,026</u></b>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014.



## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2014

### A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

#### A1. Basis of preparation

These condensed consolidated interim financial statements for the current quarter have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") 134, *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group as at and for the financial year ended 31 March 2014 which was prepared in accordance with the MFRSs. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2014. The following are accounting standards and amendments that have been issued by the Malaysian Accounting Standards Board ("MASB") which have been adopted by the Group with effect from 1 April 2014:-

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

The adoption of the new and revised MFRSs and Amendments to MFRSs does not have any material impact on the financial statements of the Group.

#### A2. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2014 was not subject to any audit qualification.

#### A3. Seasonality of interim operations

The fiber optic cables market is observed to be seasonal in nature and dependent on the general economic and business environment. Given the Group's long experience in fiber optic cables market, the Group is well positioned to ameliorate any seasonal fluctuation of demand for its products.

#### A4. Unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

#### A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

#### A6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

#### A7. Dividends paid

There were no dividends paid during the current quarter (31 December 2013: Nil).



## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2014

### A8. Segmental reporting

The Group operates wholly in Malaysia.

The Group's segmental report for the financial period is as follows:-

31 December 2014

<u>Business Segments</u>	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue:</b>						
External revenue	35,235	21,210	51	56,496	-	56,496
Intersegment revenue	-	6,724	7,199	13,923	(13,923)	-
Total revenue	<u>35,235</u>	<u>27,935</u>	<u>7,249</u>	<u>70,419</u>	<u>(13,923)</u>	<u>56,496</u>
Segmental results	(2,875)	1,811	2,690	1,686	290	1,976
Unallocated expenses						(151)
Operating profit						<u>1,825</u>
Interest income						997
Share of profit in associates						<u>4</u>
Profit before tax						<u>2,826</u>
Income tax expense						(758)
Profit after tax						<u><u>2,068</u></u>

31 December 2013

<u>Business Segments</u>	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue:</b>						
External revenue	30,479	4,539	46	35,064	-	35,064
Intersegment revenue	-	4,961	14,085	19,046	(19,046)	-
Total revenue	<u>30,479</u>	<u>9,500</u>	<u>14,131</u>	<u>54,110</u>	<u>(19,046)</u>	<u>35,064</u>
Segmental results	(2,072)	491	9,571	7,990	(7,633)	357
Unallocated expenses						(207)
Operating profit						<u>150</u>
Interest income						1,165
Share of profit in associates						-
Profit before tax						<u>1,315</u>
Income tax expense						(345)
Profit after tax						<u><u>970</u></u>

### A9. Valuations of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment.

### A10. Material events subsequent to the end of the interim year

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements for the current quarter.

### A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.



## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2014

### A12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as to the date of this report except the following:-

	As at 31 December 2014 RM'000	As at 31 March 2014 RM'000
Performance and warranty bonds issued	7,747	7,015

### A13. Significant Related Party Transactions

The significant related party transactions during current quarter and financial period were as follows:-

	Current Quarter 31 Dec 2014 RM'000	Preceding Period Corresponding Quarter 31 Dec 2013 RM'000	Current Year To Date 31 Dec 2014 RM'000	Preceding Year Corresponding Period 31 Dec 2013 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:				
Sale of cables	20	350	182	350
Purchase of accessories	701	1,789	2,170	8,775
Business development commission	302	4	383	586
Corporate shareholder of a subsidiary of the Company:				
Purchase of materials	-	13	-	689
Associate of a subsidiary of the Company:				
Sale of industrial materials	3,388	-	3,388	-





## **OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2014

### **B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS**

#### **B1. Review of Performance**

The Group registered revenue of RM19.5 million and profit before tax of RM1.5 million in current quarter as compared to revenue and profit before tax of RM8.7 million and RM0.5 million respectively in the preceding year's corresponding quarter. The increase of revenue in current quarter were mainly due to increase in customer order for cables and accessories and in supply of industrial materials.

Performance of the respective operating business segments in the current quarter compared to the preceding year's corresponding quarter is as follows:-

- a) Manufacturing - The increase in revenue by 230% in current quarter was mainly due to increase in customer order for cables and accessories.
- b) Trading and Engineering Services - The increase in revenue by 24% in current quarter was due to increase in supply of industrial materials.
- c) Other Operations - The revenue contribution in current quarter was consistent with preceding year's corresponding quarter.

#### **B2. Variation of results against the immediate preceding quarter**

The Group's revenue increased to RM19.5 million in current quarter as compared to the immediate preceding quarter of RM18.2 million. The Group registered a profit before tax of RM1.5 million in the current quarter as compared to profit before tax of RM1.1 million in the immediate preceding quarter. The increase of revenue in current quarter were mainly due to increase in customer order for cables and accessories and in supply of industrial materials.

Performance of the respective operating business segments in the current quarter compared to the immediate preceding quarter is as follows:-

- a) Manufacturing - The increase in revenue by 19% in current quarter was mainly due to increase in customer order for cables and accessories.
- b) Trading and Engineering Services - The increase in revenue by 9% in current quarter was due to increase in supply of industrial materials.
- c) Other Operations - The revenue contribution in current quarter was consistent with immediate preceding quarter.

#### **B3. Prospects**

The general business outlook remains challenging for the fiber optics cable industry in Malaysia. However, the Board is of the opinion that the second phase of High Speed Broadband (HSBB) announced by the Malaysian government in year 2014 will contribute to stable sales and shipment of fiber optic cables. The Board is optimistic of the Group's performance in the remaining quarter in current financial year.

#### **B4. Profit forecast and profit guarantee**

The Group has not issued any profit forecast and profit guarantee in any public document.



## OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 December 2014

### B5. Income Tax Expense

	Quarter ended		Financial period ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Tax expense	680	219	1,401	716
Deferred taxation	(258)	(119)	(643)	(371)
	<u>422</u>	<u>100</u>	<u>758</u>	<u>345</u>

The effective tax rate for current quarter and current financial period is higher than statutory tax rate due to non-allowable expenses.

### B6. Status of corporate proposals as at 11 February 2015 (being a date not earlier than seven (7) days from the date of issue of the quarterly report)

There was no corporate proposal announced but not completed as at 11 February 2015.

### B7. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 December 2014.

### B8. Derivative Financial Instruments

The Group has entered into forward exchange contracts to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency. The forward exchange contracts have maturities of less than one year after the end of the reporting year.

The Group's derivative financial instruments as at 31 December 2014 as follows:

	Quarter ended		Financial period ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Gain from foreign currency hedging contracts	-	-	18	-

### B9. Material litigation as at 11 February 2015 (being a date not earlier than seven (7) days from the date of issue of the quarterly report)

The Group has no outstanding material litigation as at 11 February 2015, being the latest practicable date.

### B10. Dividends

The Company did not declare dividend during the current quarter (31 December 2013: Nil)

Total net dividends declared for the current financial year is 1.25 sen per ordinary share (31 December 2013: 6.00 sen per ordinary share).



## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2014

### B11. Earnings per share

	Quarter ended		Financial period ended	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Profit and total comprehensive income attributable to owners of the Company (RM'000)	1,199	437	2,577	1,256
Total number of ordinary shares in issue ('000)	161,250	129,000	161,250	129,000
<b>Basic earnings per share (sen)</b>	<b>0.74</b>	<b>0.34</b>	<b>1.60</b>	<b>0.97</b>

Note: Computation of diluted earnings for share is not applicable as there are no outstanding shares to be issued.

### B12. Realised and Unrealised Retained Profits

The breakdown of retained profits of the Group as at end of current financial period and end of preceding financial period into realised and unrealised profits or losses is as follows:-

	As at	As at
	31 Dec 2014	31 March 2014
	RM'000	RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	55,124	55,842
- unrealised	(3,219)	(3,512)
	<u>51,905</u>	<u>52,330</u>
ii) Less : Consolidation adjustments	(8,527)	(11,375)
Group total retained profits as per unaudited consolidated accounts	<u>43,378</u>	<u>40,955</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities ACE Market Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

### B13. Gains/Losses arising from Fair Value Changes in Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss during the current quarter and current financial year.



## OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 December 2014

### B14. Profit for the Year

	Quarter ended		Financial year ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Profit for the year is arrived at after crediting:				
Interest income	318	344	997	1,165
Other income	-	-	71	42
Foreign exchange gain	91	36	1,161	442
and after charging:				
Depreciation	649	665	1,986	1,951
Provision for/write off of inventories	(42)	66	14	(44)
Foreign exchange loss	-	41	657	147

There were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives or exceptional items for current quarter and financial period ended 31 December 2014 (31 December 2013: Nil).