



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Year Ended 31 March 2015

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Year Ended 31 March 2015

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/03/2015 RM'000	Preceding Year Corresponding Quarter 31/03/2014 RM'000	Current Year To Date 31/03/2015 RM'000	Preceding Year To Date 31/03/2014 RM'000
Revenue		26,031	15,338	82,527	50,402
Cost of sales		(20,391)	(11,238)	(68,686)	(42,429)
Gross profit		5,640	4,100	13,841	7,973
Other operating income		(623)	1,127	609	2,951
Administrative expenses		(1,709)	(1,571)	(6,391)	(5,937)
Distribution costs		(897)	(746)	(2,527)	(1,606)
Other operating expenses		237	(1,117)	(1,059)	(1,587)
Operating profit		2,648	1,793	4,473	1,794
Interest income		278	413	1,275	1,578
Share of profit of equity-accounted associates, net of tax		168	-	172	-
Profit before tax		3,094	2,206	5,920	3,372
Income tax expense		(1,107)	(416)	(1,865)	(724)
Profit and total comprehensive income for the period	B14	1,987	1,790	4,055	2,648
Profit/(Loss) and total comprehensive income/(loss) attributable to:-					
Owners of the Company		1,925	1,647	4,502	2,791
Non-controlling interest		62	143	(447)	(143)
		1,987	1,790	4,055	2,648
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	1.19	1.28	2.79	2.16
Diluted (sen)	B11	Not applicable	Not applicable	Not applicable	Not applicable

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 March 2015

	Note	As At Financial Year Ended 31/03/2015 RM'000	As At Preceding Year Ended 31/03/2014 RM'000
Non-current assets			
Property, plant and equipment	A9	35,847	38,326
Investment in associates		9,561	-
Deferred tax assets		5	6
		<u>45,413</u>	<u>38,332</u>
Current assets			
Inventories		9,103	14,532
Trade and other receivables		24,398	19,944
Derivative financial assets		-	30
Current tax assets		1,196	1,233
Cash and cash equivalents		50,858	48,532
		<u>85,555</u>	<u>84,271</u>
TOTAL ASSETS		<u>130,968</u>	<u>122,603</u>
Equity			
Share capital		32,250	25,800
Share premium		-	5,811
Reserves		630	3
Retained earnings		43,206	40,955
		<u>76,086</u>	<u>72,569</u>
Non-controlling interest		14,914	15,361
Total equity		<u>91,000</u>	<u>87,930</u>
Non-current liabilities			
Deferred tax liabilities		2,704	3,044
		<u>2,704</u>	<u>3,044</u>
Current liabilities			
Trade and other payables		36,303	31,237
Provisions		198	261
Current tax liabilities		763	131
		<u>37,264</u>	<u>31,629</u>
Total liabilities		39,968	34,673
TOTAL EQUITY AND LIABILITIES		<u>130,968</u>	<u>122,603</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 Year Ended 31 March 2015

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)
Foreign currency translation differences for foreign operations	-	-	-	627	-	627	-	627
Total comprehensive income/ (loss) for the financial period	-	-	-	-	4,502	4,502	(447)	4,055
Balance at 31 March 2015	<u>32,250</u>	<u>-</u>	<u>3</u>	<u>627</u>	<u>43,206</u>	<u>76,086</u>	<u>14,914</u>	<u>91,000</u>
Balance at 1 April 2013	25,800	5,812	3	-	45,904	77,519	17,603	95,122
Dividends paid	-	-	-	-	(7,740)	(7,740)	(2,100)	(9,840)
Total comprehensive income/ (loss) for the financial period	-	-	-	-	2,791	2,791	(143)	2,648
Balance at 31 March 2014	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>-</u>	<u>40,955</u>	<u>72,570</u>	<u>15,360</u>	<u>87,930</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 Year Ended 31 March 2015

	Current Financial Year Ended 31/03/2015 RM'000	Preceding Year Corresponding Year Ended 31/03/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,920	3,372
Adjustments for:-		
Depreciation	2,639	2,631
Interest Income	(1,275)	(1,578)
Other Non-cash items	98	(2,968)
Other Non-operating items	(673)	55
Operating profit before working capital changes	<u>6,709</u>	<u>1,512</u>
Changes in working capital:-		
Inventories	5,430	1,830
Trade and other receivables	(4,195)	6,910
Trade and other payables	9,394	(10,820)
Provisions	63	(58)
Cash generated from/(used in) operations	<u>17,401</u>	<u>(626)</u>
Tax paid	<u>(1,840)</u>	<u>(1,772)</u>
Net cash generated from/(used in) operations	<u>15,561</u>	<u>(2,398)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(400)	(3,783)
Proceeds from disposal of property, plant and equipment	79	1
Interest received	1,199	1,426
Investment in associates	(9,561)	-
Net cash used in investing activities	<u>(8,683)</u>	<u>(2,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,613)	(7,740)
Dividends paid to non-controlling interest	(3,000)	-
Net cash used in financing activities	<u>(4,613)</u>	<u>(7,740)</u>
Net increase/(decrease) in cash and cash equivalents	2,265	(12,494)
Effect of exchange rate fluctuations on cash held	61	154
Cash and cash equivalents at beginning of financial period	<u>48,532</u>	<u>60,872</u>
Cash and cash equivalents at end of financial period	<u>50,858</u>	<u>48,532</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 Year Ended 31 March 2015 - continued

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

	Current Financial Year Ended 31/03/2015 RM'000	Preceding Year Corresponding Year Ended 31/03/2014 RM'000
Deposits placed with licensed banks	45,500	45,033
Cash and bank balances	<u>5,358</u>	<u>3,499</u>
	<u>50,858</u>	<u>48,532</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)

Notes on the Quarterly Interim Financial Report - 31 March 2015

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 March 2014: Nil).



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Notes on the Quarterly Interim Financial Report - 31 March 2015

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 March 2015

<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
Revenue:						
External revenue	50,065	32,395	67	82,527	-	82,527
Intersegment revenue	-	14,249	9,598	23,847	(23,847)	-
Total revenue	50,065	46,644	9,665	106,374	(23,847)	82,527
Segmental results	(3,474)	4,234	3,727	4,487	265	4,752
Unallocated expenses						(279)
Operating profit						4,473
Interest income						1,275
Share of profit in associates						172
Profit before tax						5,920
Income tax expense						(1,865)
Profit after tax						4,055

31 March 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
Revenue:						
External revenue	41,464	8,876	62	50,402	-	50,402
Intersegment revenue	-	9,158	16,200	25,358	(25,358)	-
Total revenue	41,464	18,034	16,262	75,760	(25,358)	50,402
Segmental results	(1,853)	1,213	10,320	9,680	(7,679)	2,001
Unallocated expenses						(207)
Operating profit						1,794
Interest income						1,578
Share of profit in associates						-
Profit before tax						3,372
Income tax expense						(724)
Profit after tax						2,648

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.



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Notes on the Quarterly Interim Financial Report - 31 March 2015

A12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2015.

A13. Significant Related Party Transactions

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

	Current Quarter 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter 31 Mar 2014 RM'000	Current Year To Date 31 Mar 2015 RM'000	Preceding Year To Date 31 Mar 2014 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:				
Sale of cables	278	1,432	460	6,723
Purchase of accessories	1,175	-	3,345	7,944
Business development commission	639	524	1,022	1,110
Corporate shareholder of a subsidiary of the Company:				
Purchase of materials	-	-	-	689
Associate of a subsidiary of the Company:				
Sale of industrial materials	8,664	-	12,032	-
Purchase of industrial materials	228	-	465	-



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Notes on the Quarterly Interim Financial Report - 31 March 2015

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

B1. Review of Performance

The Group registered revenue of RM26.0 million and profit before tax of RM3.1 million in current quarter as compared to revenue and profit before tax of RM15.3 million and RM2.2 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 51% 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 120% 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 RM26.0 million in current quarter as compared to the immediate preceding quarter of RM19.5 million. The Group registered a profit before tax of RM3.1 million in the current quarter as compared to profit before tax of RM1.5 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 8% 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 125% 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 in the next financial year ending 31 March 2016.

B4. Profit forecast and profit guarantee

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

B5. Income Tax Expense

	Quarter ended		Financial year ended	
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Tax expense	803	103	2,204	821
Deferred taxation	304	313	(339)	(97)
	<u>1,107</u>	<u>416</u>	<u>1,865</u>	<u>724</u>

The effective tax rate for current quarter and current financial period is higher than statutory tax rate due to non-allowable expenses and underprovision of deferred tax expense in prior year.



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Notes on the Quarterly Interim Financial Report - 31 March 2015

**B6. Status of corporate proposals as at 27 May 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 27 May 2015.

B7. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2015.

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 March 2015 as follows:

	Quarter ended		Financial year ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Gain from foreign currency hedging contracts	-	70	18	70

**B9. Material litigation as at 27 May 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 27 May 2015, being the latest practicable date.

B10. Dividends

The Company did not declare dividend during the current quarter (31 March 2014: Nil)

Total net dividends declared for the current financial year is 1.25 sen per ordinary share (31 March 2014: 6.00 sen per ordinary share).

B11. Earnings per share

	Quarter ended		Financial year ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Profit and total comprehensive income attributable to owners of the Company (RM'000)	1,925	1,647	4,502	2,791
Total number of ordinary shares in issue ('000)	161,250	129,000	161,250	129,000
Basic earnings per share (sen)	1.19	1.28	2.79	2.16

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



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Notes on the Quarterly Interim Financial Report - 31 March 2015

B12. Realised and Unrealised Retained Profits

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

	As at 31 Mar 2015 RM'000	As at 31 March 2014 RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	54,912	55,842
- unrealised	(976)	(3,512)
	53,936	52,330
ii) Less : Consolidation adjustments	(10,730)	(11,375)
Group total retained profits as per unaudited consolidated accounts	43,206	40,955

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.

B14. Profit for the Year

	Quarter ended		Financial year ended	
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Profit for the year is arrived at after crediting:				
Interest income	278	413	1,275	1,578
Other income	160	1,127	231	2,950
Foreign exchange gain	(783)	-	378	-
and after charging:				
Depreciation	653	680	2,639	2,631
Provision for/write off of inventories	(33)	128	23	84
Foreign exchange loss	(657)	89	-	236

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 year ended 31 March 2015 (31 March 2014: Nil).