



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 June 2015

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 June 2015

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/06/2015 RM'000	Preceding Year Corresponding Quarter 30/06/2014 RM'000	Current Year To Date 30/06/2015 RM'000	Preceding Year To Date 30/06/2014 RM'000
Revenue		27,715	18,792	27,715	18,792
Cost of sales		<u>(20,825)</u>	<u>(16,639)</u>	<u>(20,825)</u>	<u>(16,639)</u>
Gross profit		6,890	2,153	6,890	2,153
Other operating income		278	454	278	454
Administrative expenses		(1,600)	(1,541)	(1,600)	(1,541)
Distribution costs		(1,632)	(431)	(1,632)	(431)
Other operating expenses		<u>(883)</u>	<u>(703)</u>	<u>(883)</u>	<u>(703)</u>
Operating profit		3,053	(68)	3,053	(68)
Interest income		375	348	375	348
Share of loss of equity-accounted associates, net of tax		<u>(261)</u>	-	<u>(261)</u>	-
Profit before tax		3,167	280	3,167	280
Income tax expense		<u>(902)</u>	<u>(74)</u>	<u>(902)</u>	<u>(74)</u>
Profit for the period	B14	2,265	206	2,265	206
Other comprehensive income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Translation differences		<u>211</u>	-	<u>211</u>	-
Profit and total comprehensive income for the period		<u>2,476</u>	<u>206</u>	<u>2,476</u>	<u>206</u>
Profit for the period attributable to:-					
Owners of the Company		2,236	448	2,236	448
Non-controlling interest		<u>29</u>	<u>(242)</u>	<u>29</u>	<u>(242)</u>
		<u>2,265</u>	<u>206</u>	<u>2,265</u>	<u>206</u>



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Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 June 2015 (continued)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year 30/06/2015 RM'000	Preceding Year 30/06/2014 RM'000	Current Year 30/06/2015 RM'000	Preceding Year 30/06/2014 RM'000
Total comprehensive income attributable to:-					
Owners of the Company		2,447	448	2,447	448
Non-controlling interest		<u>29</u>	<u>(242)</u>	<u>29</u>	<u>(242)</u>
		<u>2,476</u>	<u>206</u>	<u>2,476</u>	<u>206</u>
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	<u>1.39</u>	<u>0.35</u>	<u>1.39</u>	<u>0.35</u>
Diluted (sen)	B11	<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 2015.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2015

	Note	As At End of Current Quarter 30/06/2015 RM'000	As At Preceding Financial Year Ended 31/03/2015 RM'000
Non-current assets			
Property, plant and equipment	A9	35,281	35,855
Investment in associates		14,847	14,952
Deferred tax assets		5	391
		<u>50,133</u>	<u>51,198</u>
Current assets			
Inventories		10,962	9,103
Trade and other receivables		36,540	24,087
Current tax assets		1,288	1,196
Cash and cash equivalents		46,783	49,457
		<u>95,573</u>	<u>83,843</u>
TOTAL ASSETS		<u>145,706</u>	<u>135,041</u>
Equity			
Share capital		32,250	32,250
Reserves		2,046	1,835
Retained earnings		45,383	43,147
		<u>79,679</u>	<u>77,232</u>
Non-controlling interest		<u>14,943</u>	<u>14,914</u>
Total equity		<u>94,622</u>	<u>92,146</u>
Non-current liabilities			
Deferred tax liabilities		1,843	1,947
		<u>1,843</u>	<u>1,947</u>
Current liabilities			
Trade and other payables		41,476	33,349
Provisions		606	198
Bank borrowings		6,616	6,671
Current tax liabilities		543	730
		<u>49,241</u>	<u>40,948</u>
Total liabilities		<u>51,084</u>	<u>42,895</u>
TOTAL EQUITY AND LIABILITIES		<u>145,706</u>	<u>135,041</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 2015.



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(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 June 2015

Group	<----- Non-Distributable ----->				Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000		
Balance at 1 April 2015	32,250	-	3	1,832	43,147	77,232	14,914	92,146
Dividends paid	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	211	-	211	-	211
Profit for the period	-	-	-	-	2,236	2,236	29	2,265
Balance at 30 June 2015	<u>32,250</u>	<u>-</u>	<u>3</u>	<u>2,043</u>	<u>45,383</u>	<u>79,679</u>	<u>14,943</u>	<u>94,622</u>
Balance at 1 April 2014	25,800	5,812	3	-	40,955	72,570	15,361	87,931
Dividends paid	-	-	-	-	-	-	-	-
Total comprehensive income/ (loss) for the financial period	-	-	-	-	448	448	(242)	206
Balance at 30 June 2014	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>-</u>	<u>41,403</u>	<u>73,018</u>	<u>15,119</u>	<u>88,137</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 2015.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 2015

	Current Financial Period Ended 30/06/2015 RM'000	Preceding Year Corresponding Period Ended 30/06/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,167	280
Adjustments for:-		
Depreciation	644	665
Interest Income	(375)	(348)
Share of results of associated companies	(105)	-
Other Non-cash items	899	733
Other Non-operating items	(97)	(22)
Operating profit before working capital changes	<u>4,133</u>	<u>1,308</u>
Changes in working capital:-		
Inventories	(1,859)	1,154
Trade and other receivables	(12,477)	(4,542)
Trade and other payables	8,591	(1,180)
Provisions	(408)	143
Cash used in operations	<u>(2,020)</u>	<u>(3,117)</u>
Tax paid	(899)	(479)
Net cash used in operations	<u>(2,919)</u>	<u>(3,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(72)	(201)
Proceeds from disposal of property, plant and equipment	-	75
Interest received	315	205
Net cash generated from investing activities	<u>243</u>	<u>79</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	-
Dividends paid to non-controlling interest	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(2,676)	(3,517)
Effect of exchange rate fluctuations on cash held	2	(175)
Cash and cash equivalents at beginning of financial period	<u>49,457</u>	<u>48,532</u>
Cash and cash equivalents at end of financial period	<u>46,783</u>	<u>44,840</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 2015.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 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 Period Ended 30/06/2015 RM'000	Preceding Year Corresponding Period Ended 30/06/2014 RM'000
Deposits placed with licensed banks	44,900	41,550
Cash and bank balances	1,883	3,290
	<u>46,783</u>	<u>44,840</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 2015.



OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 30 June 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 2015 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 2015.

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 2015. 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 these Amendments 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 2015 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 (30 June 2014: Nil).



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Notes on the Quarterly Interim Financial Report - 30 June 2015

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 June 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	20,171	7,526	18	27,715	-	27,715
Intersegment revenue	-	9,762	2,382	12,144	(12,144)	-
Total revenue	20,171	17,288	2,400	39,859	(12,144)	27,715
Segmental results	(94)	2,287	985	3,178	(95)	3,083
Unallocated expenses						(30)
Operating profit						3,053
Interest income						375
Share of profit/(loss) in associates						(261)
Profit before tax						3,167
Income tax expense						(902)
Profit after tax						2,265

30 June 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	9,885	8,890	17	18,792	-	18,792
Intersegment revenue	-	3,036	2,400	5,436	(5,436)	-
Total revenue	9,885	11,926	2,417	24,228	(5,436)	18,792
Segmental results	(1,306)	288	948	(70)	47	(23)
Unallocated expenses						(45)
Operating loss						(68)
Interest income						348
Share of profit/(loss) in associates						-
Profit before tax						280
Income tax expense						(74)
Profit after tax						206

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 - 30 June 2015

A12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as to the date of this report.

A13. Significant Related Party Transactions

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

	Current Quarter 30 June 2015 RM'000	Preceding Year Corresponding Quarter 30 June 2014 RM'000	Current Year To Date 30 June 2015 RM'000	Preceding Year To Date 30 June 2014 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:				
Sale of cables	-	162	-	162
Purchase of accessories	727	864	727	864
Business development commission	544	9	544	9
Associate of a subsidiary of the Company:				
Sale of industrial materials	7,526	-	7,526	-
Purchase of industrial materials	368	-	368	-



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Notes on the Quarterly Interim Financial Report - 30 June 2015

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

B1. Review of Performance

The Group registered revenue of RM27.7 million and profit before tax of RM3.2 million in current quarter as compared to revenue and profit before tax of RM18.8 million and RM0.3 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:-

- Manufacturing - The increase in revenue by 104% in current quarter was mainly due to increase in customer order for cables and accessories.
- Trading and Engineering Services - The increase in revenue by 45% in current quarter was due to increase in supply of industrial materials.
- 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 RM27.7 million in current quarter as compared to the immediate preceding quarter of RM26.0 million. The Group registered a profit before tax of RM3.2 million in the current quarter as compared to profit before tax of RM3.1 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.

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

- Manufacturing - The increase in revenue by 36% in current quarter was mainly due to increase in customer order for cables and accessories.
- Trading and Engineering Services - The decrease in revenue by 8% in current quarter was due to decrease in supply of industrial materials.
- Other Operations - The revenue contribution in current quarter was consistent with immediate preceding quarter.

B3. Prospects

The Group had won a 3-year RM210 million contract for supply and delivery of cable and related systems at end of May 2015. The contract will contribute positively to the Group's earnings. The Group is taking necessary steps to mitigate its exposure to the strengthening of United State Dollars. The Board is optimistic of the Group's performance in the remaining quarters 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.

B5. Income Tax Expense

	Quarter ended		Financial year ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Tax expense	620	352	620	352
Deferred taxation	282	(278)	282	(278)
	<u>902</u>	<u>74</u>	<u>902</u>	<u>74</u>

The effective tax rate for current quarter and current financial period is higher than statutory tax rate due to certain expenses not allowable for tax purposes.



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- B6. Status of corporate proposals as at 31 July 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 31 July 2015.

B7. Group borrowings and Debt Securities

At the end of the reporting period, the Group has foreign currency trade and other credit facilities from a local bank. The bank borrowings are unsecured, short-term and are denominated in United States Dollar.

	As at 30 June 2015 RM'000	As at 30 June 2014 RM'000
Unsecured:		
Foreign currency trade facilities	<u>6,616</u>	<u>1,233</u>

B8. Derivative Financial Instruments

The Group has entered into forward exchange contracts in preceding year to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency. There was no forward exchange contracts at the end of the reporting period.

The Group's derivative financial instruments as at 30 June 2015 as follows:

	Quarter ended		Financial period ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Gain from foreign currency hedging contracts	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>

B9. Material litigation as at 31 July 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 31 July 2015, being the latest practicable date.

B10. Dividends

The Company did not declare dividend during the current quarter (30 June 2014: Nil).

No dividend declared for the current financial period (30 June 2014: Nil).

B11. Earnings per share

	Quarter ended		Financial period ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Profit for the period attributable to owners of the Company (RM'000)	2,236	448	2,236	448
Total number of ordinary shares in issue ('000)	161,250	129,000	161,250	129,000
Basic earnings per share (sen)	<u>1.39</u>	<u>0.35</u>	<u>1.39</u>	<u>0.35</u>

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 - 30 June 2015

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 30 June 2015 RM'000	As at 31 March 2015 RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	58,515	55,028
- unrealised	(2,246)	(1,377)
	56,269	53,651
ii) Associated companies		
- realised	(261)	156
	56,008	53,807
iii) Less : Consolidation adjustments	(10,886)	(10,661)
Group total retained profits as per unaudited consolidated accounts	<u>45,383</u>	<u>43,146</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 period.

B14. Profit for the Year

	Quarter ended		Financial period ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Profit for the year is arrived at after crediting:				
Interest income	375	348	375	348
Other income	75	76	75	76
Foreign exchange gain	203	378	203	378
and after charging:				
Depreciation	644	665	644	665
Provision for/write off of inventories	182	-	182	-
Foreign exchange loss	104	657	104	657

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 30 June 2015 (30 June 2014: Nil).