



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 September 2015

The Directors are pleased to announce the following:-

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

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/09/2015 RM'000	Preceding Year Corresponding Quarter 30/09/2014 RM'000	Current Year To Date 30/09/2015 RM'000	Preceding Year To Date 30/09/2014 RM'000
Revenue		26,766	18,186	54,481	36,978
Cost of sales		(19,440)	(15,970)	(40,265)	(32,609)
Gross profit		7,326	2,216	14,216	4,369
Other operating income		1,800	687	2,078	1,141
Administrative expenses		(2,161)	(1,633)	(3,762)	(3,174)
Distribution costs		(1,390)	(460)	(3,023)	(891)
Other operating expenses		(4,650)	(85)	(5,533)	(788)
Operating profit		925	725	3,976	657
Interest income		369	331	744	679
Share of profit of equity-accounted associates, net of tax		309	-	48	-
Profit before tax		1,603	1,056	4,768	1,336
Income tax expense		(325)	(262)	(1,227)	(336)
Profit for the period	B14	1,278	794	3,541	1,000
Other comprehensive loss, net of tax					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Translation differences		(808)	-	(597)	-
Profit and total comprehensive income for the period		470	794	2,944	1,000
Profit/(Loss) for the year attributable to:-					
Owners of the Company		1,977	930	4,211	1,378
Non-controlling interest		(699)	(136)	(670)	(378)
		1,278	794	3,541	1,000

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2015 RM'000	Preceding Year Corresponding Quarter 30/09/2014 RM'000	Current Year To Date 30/09/2015 RM'000	Preceding Year To Date 30/09/2014 RM'000
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	1,169	930	3,614	1,378
Non-controlling interest	<u>(699)</u>	<u>(136)</u>	<u>(670)</u>	<u>(378)</u>
	<u>470</u>	<u>794</u>	<u>2,944</u>	<u>1,000</u>
Earnings per share attributable to owners of the Company:-				
Basic (sen)	<u>B11 1.23</u>	<u>0.72</u>	<u>2.61</u>	<u>1.07</u>
Diluted (sen)	<u>B11 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

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

	Note	As At End of Current Quarter 30/09/2015 RM'000	As At Preceding Financial Year Ended 31/03/2015 RM'000
Non-current assets			
Property, plant and equipment	A9	35,024	35,855
Investment in associates		14,999	14,952
Deferred tax assets		1,095	391
		<u>51,118</u>	<u>51,198</u>
Current assets			
Inventories		10,997	9,103
Trade and other receivables		35,637	24,087
Derivative financial assets		-	-
Current tax assets		1,386	1,196
Cash and cash equivalents		43,258	49,457
		<u>91,278</u>	<u>83,843</u>
TOTAL ASSETS		<u>142,396</u>	<u>135,041</u>
Equity			
Share capital		32,250	32,250
Reserves		1,238	1,835
Retained earnings		44,939	43,147
		<u>78,427</u>	<u>77,232</u>
Non-controlling interest		14,244	14,914
Total equity		<u>92,671</u>	<u>92,146</u>
Non-current liabilities			
Deferred tax liabilities		2,536	1,947
		<u>2,536</u>	<u>1,947</u>
Current liabilities			
Trade and other payables		39,269	33,349
Provisions		1,016	198
Bank borrowings		5,598	6,671
Current tax liabilities		1,306	730
		<u>47,189</u>	<u>40,948</u>
Total liabilities		49,725	42,895
TOTAL EQUITY AND LIABILITIES		<u>142,396</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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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 September 2015

Group	Share capital	<i>Non-Distributable</i>		Translation reserve	<i>Distributable</i>		Non-controlling interest	Total equity
	RM'000	Share premium	Capital reserve		Retained earnings	Total		
Balance at 1 April 2015	32,250	-	3	1,832	43,147	77,232	14,914	92,146
Dividends paid	-	-	-	-	(2,419)	(2,419)	-	(2,419)
Other comprehensive loss	-	-	-	(597)	-	(597)	-	(597)
Profit for the period	-	-	-	-	4,211	4,211	(670)	3,541
Balance at 30 Sept 2015	<u>32,250</u>	<u>-</u>	<u>3</u>	<u>1,235</u>	<u>44,939</u>	<u>78,427</u>	<u>14,244</u>	<u>92,671</u>
Balance at 1 April 2014	25,800	5,812	3	-	40,955	72,570	15,361	87,931
Dividends paid	-	-	-	-	(1,613)	(1,613)	-	(1,613)
Total comprehensive income/ (loss) for the financial period	-	-	-	-	1,378	1,378	(378)	1,000
Balance at 30 Sept 2014	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>-</u>	<u>40,720</u>	<u>72,335</u>	<u>14,983</u>	<u>87,318</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

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

	Current Financial Period Ended 30/09/2015 RM'000	Preceding Year Corresponding Period Ended 30/09/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,768	1,336
Adjustments for:-		
Depreciation	1,295	1,337
Interest Income	(744)	(679)
Other Non-cash items	(598)	581
Other Non-operating items	-	(22)
Operating profit before working capital changes	<u>4,721</u>	<u>2,553</u>
Changes in working capital:-		
Inventories	(1,894)	5,393
Trade and other receivables	(10,434)	(12,502)
Trade and other payables	3,768	402
Provisions	818	(140)
Cash generated used in operations	<u>(3,021)</u>	<u>(4,294)</u>
Tax paid	(956)	(781)
Net cash generated used in operations	<u>(3,977)</u>	<u>(5,075)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(464)	(212)
Proceeds from disposal of property, plant and equipment	-	75
Interest received	709	551
Net cash used in investing activities	<u>245</u>	<u>414</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,419)	(1,613)
Dividends paid to non-controlling interest	-	-
Net cash used in financing activities	<u>(2,419)</u>	<u>(1,613)</u>
Net decrease in cash and cash equivalents	(6,151)	(6,274)
Effect of exchange rate fluctuations on cash held	(48)	(90)
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>43,258</u>	<u>42,168</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 September 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 30/09/2015 RM'000	Preceding Year Corresponding Period Ended 30/09/2014 RM'000
Deposits placed with licensed banks	38,700	33,200
Cash and bank balances	<u>4,558</u>	<u>8,968</u>
	<u>43,258</u>	<u>42,168</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

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Notes on the Quarterly Interim Financial Report - 30 September 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 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 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

The Company paid an interim dividend of 1.50 sen per ordinary share under single tier system on 10 September 2015 (30 September 2014: An interim of 1.25 sen per ordinary share under single tier paid on 29 August 2014).



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Notes on the Quarterly Interim Financial Report - 30 September 2015

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 September 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	42,542	11,905	34	54,481	-	54,481
Intersegment revenue	-	19,880	4,799	24,679	(24,679)	-
Total revenue	42,542	31,785	4,833	79,160	(24,679)	54,481
Segmental results	(3,479)	6,091	1,730	4,342	(199)	4,143
Unallocated expenses						(167)
Operating profit						3,976
Interest income						744
Share of profit in associates						48
Profit before tax						4,768
Income tax expense						(1,227)
Profit after tax						3,541

30 September 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	21,485	15,459	34	36,978	-	36,978
Intersegment revenue	-	4,120	4,799	8,919	(8,919)	-
Total revenue	21,485	19,579	4,833	45,897	(8,919)	36,978
Segmental results	(2,096)	771	1,735	410	310	720
Unallocated expenses						(63)
Operating profit						657
Interest income						679
Share of profit/(loss) in associates						-
Profit before tax						1,336
Income tax expense						(336)
Profit after tax						1,000

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

The Company had incorporated a wholly-owned subsidiary, Opcom Trading Sdn. Bhd. on 12 August 2015.

The authorised share capital of Opcom Trading Sdn. Bhd. is RM400,000 divided into 400,000 ordinary shares of RM1.00 each with a total issued and paid up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.



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Notes on the Quarterly Interim Financial Report - 30 September 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 Sept 2015 RM'000	Preceding Year Corresponding Quarter 30 Sept 2014 RM'000	Current Year To Date 30 Sept 2015 RM'000	Preceding Year To Date 30 Sept 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	1,130	605	1,857	1,469
Business development commission	1,932	72	2,476	81
Associate of a subsidiary of the Company:				
Sale of industrial materials	1,094	-	8,620	-
Purchase of industrial materials	491	-	859	-



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Notes on the Quarterly Interim Financial Report - 30 September 2015

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

B1. Review of Performance

The Group registered revenue of RM26.8 million and profit before tax of RM1.6 million in current quarter as compared to revenue and profit before tax of RM18.2 million and RM1.1 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 93% 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 89% 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 decreased to RM26.8 million in current quarter as compared to the immediate preceding quarter of RM27.7 million. The Group registered a profit before tax of RM1.6 million in the current quarter as compared to profit before tax of RM3.2 million in the immediate preceding quarter. The decrease of revenue in current quarter were mainly due to decrease 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 11% in current quarter was mainly due to increase in customer order for cables and accessories.
- b) Trading and Engineering Services - The decrease in revenue by 16% in current quarter was due to decrease in supply of industrial materials.
- c) Other Operations - The revenue contribution in current quarter was consistent with immediate preceding quarter.

B3. Prospects

Despite the weakening of the Malaysian Ringgit and challenging business environment in Malaysia, Opcom has been able to maintain its business activities for this quarter, registering revenue growth of 47% compared to the preceding year corresponding quarter. In October 2015, Opcom has started the implementation of a three-year Engineering Services Contract worth RM67.8 million which is expected to contribute positively to the Group's business prospects.

The Board is cautiously optimistic of the Group's performance in the remaining quarters in the current financial year.

B4. Profit forecast and profit guarantee

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



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Notes on the Quarterly Interim Financial Report - 30 September 2015

B5. Income Tax Expense

	Quarter ended		Financial year ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Tax expense	944	369	1,564	721
Deferred taxation	(619)	(107)	(337)	(385)
	<u>325</u>	<u>262</u>	<u>1,227</u>	<u>336</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 during the financial period.

B6. Status of corporate proposals as at 26 November 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 26 November 2015.

B7. Group borrowings and Debt Securities

At the end of the reporting period, the Group has obtained 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	As at
	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Unsecured:		
Foreign currency trade facilities	<u>5,598</u>	<u>4,022</u>

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 30 September 2015 as follows:

	Quarter ended		Financial period ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Gain from foreign currency hedging contracts	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>

B9. Material litigation as at 26 November 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 26 November 2015, being the latest practicable date.

B10. Dividends

During the current quarter, the Company declared an interim dividend of 1.50 sen per ordinary share under single tier system for current financial year on 13 August 2015 and fully paid the same on 10 September 2015 (30 September 2014: An interim dividend of 1.25 sen per ordinary share).

Total net dividends declared for the current financial year is 1.50 sen per ordinary share (30 September 2014: 1.25 sen per ordinary share).



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Notes on the Quarterly Interim Financial Report - 30 September 2015

B11. Earnings per share

	Quarter ended		Financial period ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
Profit for the year attributable to owners of of the Company (RM'000)	1,977	930	4,211	1,378
Total number of ordinary shares in issue ('000)	161,250	129,000	161,250	129,000
Basic earnings per share (sen)	1.23	0.72	2.61	1.07

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
	30 Sept 2015	31 March 2015
	RM'000	RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	59,550	55,029
- unrealised	(4,639)	(1,377)
	54,911	53,652
ii) Associated companies		
- realised	48	156
	54,959	53,808
iii) Less : Consolidation adjustments	(10,020)	(10,661)
Group total retained profits as per unaudited consolidated accounts	44,939	43,147

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.



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B14. Profit for the Year

	Quarter ended		Financial period ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Profit for the year is arrived at after crediting:				
Interest income	369	331	744	679
Other income	65	71	140	71
Foreign exchange gain	1,735	616	1,938	1,070
and after charging:				
Depreciation	651	672	1,295	1,337
Provision for/write off of inventories	96	56	278	56
Foreign exchange loss	3,962	33	4,066	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 September 2015 (30 September 2014: Nil).