



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 June 2022

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 June 2022

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2022 RM'000	Preceding Year Corresponding Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2022 RM'000	Preceding Year To Date 30/06/2021 RM'000
Revenue		18,265	22,926	18,265	22,926
Cost of sales		(16,189)	(17,381)	(16,189)	(17,381)
Gross profit		2,075	5,545	2,075	5,545
Other operating income		434	196	434	196
Administrative expenses		(1,602)	(1,592)	(1,602)	(1,592)
Distribution costs		(219)	(466)	(219)	(466)
Other operating expenses		(21)	(374)	(21)	(374)
Finance costs		(5)	(3)	(5)	(3)
Operating profit		663	3,306	663	3,306
Interest income		440	83	440	83
Share of results of equity-accounted associates		742	441	742	441
Profit before tax		1,845	3,830	1,845	3,830
Income tax expenses	B5	(257)	(177)	(257)	(177)
Profit for the period	B13	1,588	3,652	1,588	3,652
Other comprehensive income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
Translation differences		1,756	27	1,756	27
Profit and total comprehensive income for the period		3,344	3,680	3,344	3,680

**OPCOM HOLDINGS BERHAD**

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 June 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2022 RM'000	Preceding Year Corresponding Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2022 RM'000	Preceding Year To Date 30/06/2021 RM'000
Note				
Profit for the period attributable to:-				
Owners of the Company	1,487	2,644	1,487	2,644
Non-controlling interest	101	1,009	101	1,009
	<u>1,588</u>	<u>3,652</u>	<u>1,588</u>	<u>3,652</u>
Total comprehensive income attributable to:-				
Owners of the Company	3,243	2,671	3,243	2,671
Non-controlling interest	101	1,009	101	1,009
	<u>3,344</u>	<u>3,680</u>	<u>3,344</u>	<u>3,680</u>
Earnings per share attributable to owners of the Company:-				
Basic (sen)	<u>B12</u> 0.53	<u>1.49</u>	<u>0.53</u>	<u>1.49</u>
Diluted (sen)	<u>B12</u> 0.53	<u>1.49</u>	<u>0.53</u>	<u>1.49</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 2022.



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2022

	Note	As At Financial Period Ended 30/06/2022 RM'000	(Audited) As At Preceding Financial Year Ended 31/03/2022 RM'000
Non-current assets			
Property, plant and equipment	A9	23,273	23,287
Investment in associates		21,511	20,495
Right-of-use assets		11,807	11,867
Deferred tax assets		55	55
		56,646	55,704
Current assets			
Inventories		11,312	10,891
Trade and other receivables		18,523	22,945
Current tax assets		452	539
Cash and cash equivalents		92,769	91,581
		123,055	125,956
TOTAL ASSETS		179,701	181,659
Equity			
Share capital		100,413	100,413
Reserves		5,229	3,473
ESOS Reserve		1,410	1,410
Retained earnings		54,239	52,752
		161,291	158,048
Non-controlling interest		9,811	9,710
Total equity		171,102	167,758
Non-current liability			
Deferred tax liabilities		735	734
		735	734
Current liabilities			
Trade and other payables		7,585	12,859
Lease liabilities		15	22
Current tax liabilities		264	287
		7,864	13,168
Total liabilities		8,599	13,901
TOTAL EQUITY AND LIABILITIES		179,701	181,659
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		0.58	0.57

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 2022.



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 June 2022

Group	Share capital RM'000	Non-Distributable		ESOS reserve RM'000	Distributable		Non- controlling interest RM'000	Total equity RM'000
		Capital reserve RM'000	Translation reserve RM'000		Retained earnings RM'000	Total RM'000		
Balance as at 1 April 2022	100,413	3	3,470	1,410	52,752	158,048	9,710	167,758
Profit and total comprehensive income for the period	-	-	1,756	-	1,487	3,243	101	3,344
Balance as at 30 June 2022	100,413	3	5,226	1,410	54,239	161,291	9,811	171,102
Balance as at 1 April 2021	32,250	3	2,961	-	48,712	83,925	7,409	91,335
Profit and total comprehensive income for the period	-	-	27	-	2,644	2,671	1,009	3,680
Transaction with owners - issuance of shares	9,142	-	-	-	-	9,142	-	9,142
Balance as at 30 June 2021	41,392	3	2,988	-	51,355	95,738	8,418	104,156

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 2022.



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 2022

	Current Financial Period Ended 30/06/2022 RM'000	Preceding Financial Year Corresponding Period Ended 30/06/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,845	3,830
Adjustments for:-		
Depreciation	479	507
Interest Income	(440)	(83)
Other Non-cash items	(164)	(284)
Other Non-operating items	(742)	(438)
Operating profit before working capital changes	<u>977</u>	<u>3,532</u>
Changes in working capital:-		
Inventories	(164)	(655)
Trade and other receivables	5,573	7,965
Trade and other payables	(5,677)	(6,827)
Cash from operations	<u>709</u>	<u>4,015</u>
Tax (paid)/refunded	(194)	(43)
Net cash from operating activities	<u>515</u>	<u>3,972</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(69)	(39)
Interest received	440	83
Net cash from investing activities	<u>371</u>	<u>45</u>
CASH FLOWS /(FOR)/FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	-	(628)
Repayment of lease liabilities	(7)	(7)
Proceeds from issuance of ordinary shares, net of direct expenses	-	9,142
Repayment to corporate shareholder of a subsidiary company	-	(2,903)
Finance costs paid	-	(3)
Net cash (for)/from financing activities	<u>(7)</u>	<u>5,601</u>
Net increase in cash and cash equivalents	879	9,618
Effect of exchange rate fluctuations on cash held	309	44
Cash and cash equivalents at beginning of financial period	<u>91,581</u>	<u>20,861</u>
Cash and cash equivalents at end of financial period	<u>92,769</u>	<u>30,523</u>



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 2022 (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 30/06/2022 RM'000	Preceding Financial Year Corresponding Period Ended 30/06/2021 RM'000
Deposits placed with licensed banks	24,386	22,660
Cash and bank balances	<u>68,383</u>	<u>7,863</u>
	<u>92,769</u>	<u>30,523</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 2022.



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Notes on the Quarterly Interim Financial Report - 30 June 2022

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRSs”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

These condensed consolidated interim financial statements for the current quarter have been prepared in accordance with MFRS 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 2022 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 2022.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2022 except for the adoption of those new Malaysian Financial Reporting Standards (“MFRS”) and amendment to MFRS and Interpretations that are applicable to the Group for the financial period beginning 01 April 2022.

The adoption of the new standards, amendments and interpretation to published standards does not have any material impact on the financial statements of the Group for the financial period beginning on 01 April 2022 upon their initial application.

A2. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2022 was not subject to any audit qualification.

A3. Seasonality of Interim Operations

The fiber optic cables, engineering services, thixotropic gel and fiber reinforced plastics markets are observed to be seasonal in nature and dependent on the general economic and business environment. Given its experience in these markets, 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 2021: Nil)



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Notes on the Quarterly Interim Financial Report - 30 June 2022

A8. Segmental Reporting

The Group operates wholly in Malaysia.

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

30 June 2022

<u>Business Segments</u>	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	The Group RM'000
Segment revenue:				
Revenue from external customers	14,365	3,842	58	18,265
Segmental (loss)/profit:				
Operating profit/(loss) for reportable segments	999	595	(927)	667
Interest income				440
Finance costs				(5)
Share of results of associated companies				742
Profit before tax				1,845
Income tax expense				(257)
Profit after tax				1,588

30 June 2021

<u>Business Segments</u>	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	The Group RM'000
Segment revenue:				
Revenue from external customers	20,274	2,614	39	22,926
Segmental profit/(loss):				
Operating profit/(loss) for reportable segments	3,461	680	(833)	3,308
Interest income				83
Finance costs				(3)
Share of results of associated companies				441
Profit before tax				3,830
Income tax expense				(177)
Profit after tax				3,652



OPCOM HOLDINGS BERHAD

Company No: 199401036979 (322661-W)

Notes on the Quarterly Interim Financial Report - 30 June 2022

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 Period

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

A wholly-owned subsidiary, Opcom VC Sdn Bhd was incorporated on 15 June 2022.

A12. Changes in Contingent Assets or Contingent Liabilities

Contingent liabilities of the Group as at 30 June 2022 amounted to RM48.322 million which are in respect of corporate guarantees given to licensed banks for the banking facilities granted to subsidiaries and guarantee of obligations of a subsidiary to a supplier.

A13. Significant Related Party Transactions

The significant related party transactions during the current quarter and financial period ended are as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 30/06/2022 RM'000	Corresponding Quarter 30/06/2021 RM'000	To Date 30/06/2022 RM'000	To Date 30/06/2021 RM'000
Related companies in which a substantial shareholder of the Company has interests:-				
Purchase of property, plant and equipment	-	23	-	23
Purchase of goods or services	12	-	12	-
Associate of a subsidiary of the Company:-				
Sale of thixotropic gel	4,587	6,190	4,587	6,190
Sale of fiber reinforced plastics	-	560	-	560
Dividend income	545	-	545	-
Purchase of raw materials	201	-	201	-
Services rendered	-	22	-	22



OPCOM HOLDINGS BERHAD
 Company No: 199401036979 (322661-W)
 Notes on the Quarterly Interim Financial Report - 30 June 2022

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

B1. Review of Performance

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2022 RM'000	Preceding Year Quarter 30/06/2021 RM'000	Changes +/- (%)	Current Year To Date 30/06/2022 RM'000	Preceding Year To Date 30/06/2021 RM'000	Changes +/- (%)
Revenue	18,265	22,926	-20.3%	18,265	22,926	-20.3%
Operating profit	663	3,306	-80.0%	663	3,306	-80.0%
Profit before interest and tax	1,405	3,747	-62.5%	1,405	3,747	-62.5%
Profit before tax	1,845	3,830	-51.8%	1,845	3,830	-51.8%
Profit for the period	1,588	3,652	-56.5%	1,588	3,652	-56.5%
Profit for the period attributable to Owners of the Company	1,487	2,644	-43.8%	1,487	2,644	-43.8%

The Group registered revenue of RM18.3 million and profit before tax of RM1.8 million in the current quarter as compared to revenue of RM22.9 million and profit before tax of RM3.8 million in the preceding year's corresponding quarter. The decreased in revenue by 20% in the current quarter as compared to the preceding year's corresponding quarter was mainly due to lower revenue from fiber optic cables, thixotropic gel, and fiber reinforced plastics, but partially offset by higher revenue from engineering services, trading of industrial materials and other operations.

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

- Manufacturing - Total manufacturing revenue decreased by 29% as compared to preceding year's corresponding quarter. Revenue of fiber optic cable decreased by 27%, thixotropic gel (28%) and fiber reinforced plastics (100%).
- Trading and Engineering Services - Revenue increased by 47% in current quarter as compared to preceding year's corresponding quarter as a result of higher revenue from engineering services and sales of industrial materials.
- Other Operations - Revenue increased by 51% in the current quarter as compared to preceding year's corresponding quarter as a result of rental adjustments and additional space rented out in the current quarter.

B2. Variation of Results Against the Immediate Preceding Quarter

	Current Quarter 30/06/2022 RM'000	Immediate Preceding Quarter 31/03/2022 RM'000	Changes +/- (%)
Revenue	18,265	22,641	-19.3%
Operating profit/(loss)	663	(2,184)	-130.3%
Profit/(loss) before interest and tax	1,405	(1,249)	-212.5%
Profit/(loss) before tax	1,845	(887)	-308.0%
Profit/(loss) for the period	1,588	(1,406)	-212.9%
Profit/(loss) for the period attributable to Owners of the Company	1,487	(1,432)	-203.8%

The Group's revenue decreased to RM18.3 million in the current quarter as compared to the immediate preceding quarter of RM22.6 million. The Group recorded a profit before tax of RM1.8 million in the current quarter as compared to the loss before tax of RM0.9 million in the immediate preceding quarter. The decrease in revenue by 19% in current quarter was mainly due to the lower sales of fiber optic cables, thixotropic gel and fiber reinforced plastics. The decrease is partially offset by higher revenue from engineering services and trading of industrial materials.

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

- Manufacturing - Total revenue decreased by 25% in current quarter. The decrease in revenue was due to lower revenue from fiber optic cable (29%), thixotropic gel (6%) and fiber reinforced plastics sales (100%).
- Trading and Engineering Services - The revenue increased by 14% in current quarter was due to higher sales of engineering services (3%) and industrial materials (91%).
- Other Operations - The revenue contribution in current quarter was consistent with the immediate preceding quarter.



OPCOM HOLDINGS BERHAD
Company No: 199401036979 (322661-W)
Notes on the Quarterly Interim Financial Report - 30 June 2022

B3. Prospects

The Board remains positive on the general outlook with expectations that the global economy will continue to improve. At the same time, the Group will also invest in other businesses to increase our revenue streams and enhance shareholders' values. As 5G technology will be a key driver of Malaysia's digital economy aspiration, the Group with its healthy cash reserve is poised to make strategic acquisitions to enhance our growth in this market.

B4. Profit Forecast and Profit Guarantee

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

B5. Income Tax Expenses

	Quarter Ended		Financial Period Ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Tax expenses	259	180	259	180
Deferred taxation	(2)	(2)	(2)	(2)
	<u>257</u>	<u>177</u>	<u>257</u>	<u>177</u>

The effective tax rate of the Group for current quarter and year-to-date of reporting period is attributable to certain subsidiaries utilised tax losses brought forward from prior years.

B6. Status of corporate proposals as at 19 August 2022

(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 19 August 2022.

B7. Utilisation of Proceeds Raised from Corporate Proposal

a. On 2 April 2021, the Company had raised total proceeds of RM9.272 million from the private placement by issuance of 16,124,900 new ordinary shares.

The current status as of follows:

Details	Expected timeframe for utilisation of proceeds from 2 April 2021	Proposed Utilisation RM'000	Actual Utilisation as of 19 August 2022 RM'000	Balance Unutilised RM'000
(i) Future business projects/investment	Within 24 months	6,000	(2,842)	3,158
(ii) Working capital	Within 12 months	3,142	(3,142)	-
(iii) Estimated expenses for the Private Placement	Immediate	130	(130)	-
Total		9,272	(6,114)	3,158

b. On 9 September 2021, the Company had raised total proceeds of RM23.147 million from the private placement by issuance of 53,212,400 new ordinary shares.

The current status as of follows:

Details	Expected timeframe for utilisation of proceeds from 9 September 2021	Proposed Utilisation RM'000	Actual Utilisation as of 19 August 2022 RM'000	Balance Unutilised RM'000
(i) Future business projects/investment	Within 24 months	19,000	-	19,000
(ii) Working capital	Within 24 months	3,668	-	3,668
(iii) Estimated expenses for the Private Placement	Immediate	479	(479)	-
Total		23,147	(479)	22,668



OPCOM HOLDINGS BERHAD
Company No: 199401036979 (322661-W)
Notes on the Quarterly Interim Financial Report - 30 June 2022

B8. Group Borrowings and Debt Securities

The Group's borrowings are unsecured, the details of the borrowings at the end of the reporting period are as follows:-

	Currency Denomination	As at 30/06/2022 RM'000	As at 30/06/2021 RM'000
<u>Current</u>			
- Foreign currency trade facilities	USD	-	512

B9. Derivative Financial Instruments

The Group has entered into forward exchange contracts to manage the foreign currency exposures arising from the Group's 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 period.

	Quarter Ended		Financial Period Ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Loss from foreign currency hedging contract	-	14	-	14

B10. Material litigation as at 19 August 2022

(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 19 August 2022, being the latest practicable date.

B11. Dividends

The Company did not declare dividends during the current quarter (31 March 2021: Nil).

B12. Earnings per share

(a) Basic earnings per share

	Quarter Ended		Financial Period Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Profit for the period attributable to owners of the Company (RM'000)	1,487	2,644	1,487	2,644
Weighted average number of ordinary shares in issue ('000)	279,087	177,375	279,087	177,375
Basic earnings per share (sen)	0.53	1.49	0.53	1.49

(b) Diluted earnings per share

	Quarter Ended		Financial Period Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Profit for the period attributable to owners of the Company (RM'000)	1,487	2,644	1,487	2,644
Weighted average number of ordinary shares in issue ('000)	279,087	177,375	279,087	177,375
Shares deemed to be issued for no consideration: Employee share options in issue ('000)	2,624	-	2,624	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	281,711	177,375	281,711	177,375
Diluted earnings per share (sen)	0.53	1.49	0.53	1.49



OPCOM HOLDINGS BERHAD
Company No: 199401036979 (322661-W)
Notes on the Quarterly Interim Financial Report - 30 June 2022

B13. Profit for the period

	Quarter Ended		Financial Period Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:-				
Interest income	440	83	440	83
Write back of provision for doubtful debts	-	150	-	150
Other income	346	29	346	29
Reversal of Inventories written down	-	104	-	104
Foreign exchange gain	166	166	166	166
and after charging:-				
Depreciation	479	507	479	507
Loss on derivatives	-	14	-	14
Foreign exchange loss	147	71	147	71

There were no gain or loss on disposal of quoted or unquoted investments or properties or exceptional items for current quarter and financial period ended 30 June 2022 (30 June 2021: Nil).