



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 December 2012

The Directors are pleased to announce the following:-

#### Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 31 December 2012

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/12/2012 RM'000	Preceding Year Corresponding Quarter 31/12/2011 RM'000 <i>Restated</i>	Current Year To Date 31/12/2012 RM'000	Preceding Year Corresponding Period 31/12/2011 RM'000 <i>Restated</i>
Revenue		32,876	33,078	86,650	88,767
Cost of sales		(21,682)	(21,929)	(57,936)	(59,141)
<b>Gross profit</b>		<b>11,194</b>	<b>11,149</b>	<b>28,714</b>	<b>29,626</b>
Other operating income		4	44	139	1,016
Administrative expenses		(1,444)	(1,224)	(4,411)	(3,678)
Distribution costs		(1,866)	(1,497)	(3,424)	(2,887)
Other operating expenses		(1,322)	(517)	(3,046)	(683)
<b>Operating profit</b>		<b>6,566</b>	<b>7,955</b>	<b>17,972</b>	<b>23,394</b>
Interest Income		205	310	972	1,177
<b>Profit before tax</b>		<b>6,771</b>	<b>8,265</b>	<b>18,944</b>	<b>24,571</b>
Income tax expense		(1,487)	(2,436)	(4,639)	(6,567)
<b>Profit and total comprehensive income for the period</b>	<b>B14</b>	<b>5,284</b>	<b>5,829</b>	<b>14,305</b>	<b>18,004</b>
Profit and total comprehensive income attributable to:-					
Owners of the Company		3,993	4,395	10,821	13,603
Non-controlling interest		1,291	1,434	3,484	4,401
		<u>5,284</u>	<u>5,829</u>	<u>14,305</u>	<u>18,004</u>
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B11</b>	<u>3.10</u>	<u>3.41</u>	<u>8.39</u>	<u>10.54</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 2012.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2012

	Note	As At End Of Current Quarter 31/12/2012 RM'000	As At Preceding Financial Year End 31/03/2012 RM'000 <i>Restated</i>
<b>Non-current assets</b>			
Property, plant and equipment	A9	37,023	38,525
Deferred tax assets		3	3
		37,026	38,528
<b>Current assets</b>			
Inventories		13,276	17,087
Trade and other receivables		40,934	47,005
Cash and cash equivalents		43,336	50,352
		97,546	114,444
<b>TOTAL ASSETS</b>		134,572	152,972
<b>Equity</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		43,768	49,072
		75,383	80,687
<b>Non-controlling interest</b>		17,232	18,836
<b>Total equity</b>		92,615	99,523
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,309	3,438
		3,309	3,438
<b>Current liabilities</b>			
Trade and other payables		35,022	45,583
Provisions		2,820	2,021
Taxation		806	2,407
		38,648	50,011
<b>Total liabilities</b>		41,957	53,449
<b>TOTAL EQUITY AND LIABILITIES</b>		134,572	152,972

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 2012.



**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2012**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Non-Distributable Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Distributable Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total equity RM'000</b>
Balance at 1 April 2012 (Restated)	25,800	5,812	3	49,072	80,687	18,836	99,523
Dividends paid	-	-	-	(16,125)	(16,125)	(5,088)	(21,213)
Total comprehensive income for the financial period	-	-	-	10,821	10,821	3,484	14,305
<b>Balance at 31 Dec 2012</b>	<b>25,800</b>	<b>5,812</b>	<b>3</b>	<b>43,768</b>	<b>75,383</b>	<b>17,232</b>	<b>92,615</b>
Balance at 1 April 2011 (Restated)	25,800	5,812	3	60,766	92,381	22,683	115,064
Dividends paid	-	-	-	(31,605)	(31,605)	(10,352)	(41,957)
Total comprehensive income for the financial period (Restated)	-	-	-	13,603	13,603	4,401	18,004
<b>Balance at 31 Dec 2011 (Restated)</b>	<b>25,800</b>	<b>5,812</b>	<b>3</b>	<b>42,764</b>	<b>74,379</b>	<b>16,732</b>	<b>91,111</b>

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 2012.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2012

	Current Financial Period 31/12/2012 RM'000	Preceding Year Corresponding Period 31/12/2011 RM'000 <i>Restated</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	18,944	24,571
Adjustments for:-		
Depreciation	2,102	2,225
Interest Income	(972)	(1,177)
Other Non-cash items	(69)	23
Other Non-operating items	10	143
Operating profit before working capital changes	<u>20,015</u>	<u>25,785</u>
Changes in working capital:-		
Inventories	3,811	(350)
Trade and other receivables	2,463	63
Trade and other payables	(12,427)	(13,597)
Provisions	799	191
Cash generated from operations	<u>14,661</u>	<u>12,092</u>
Tax paid	(6,368)	(7,281)
<b>Net cash generated from operating activities</b>	<u>8,293</u>	<u>4,811</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(610)	(1,220)
Proceeds from disposal of property, plant and equipment	-	28
Interest received	1,155	1,177
<b>Net cash generated from/(used in) investing activities</b>	<u>545</u>	<u>(15)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(16,125)	(34,937)
<b>Net cash used in financing activities</b>	<u>(16,125)</u>	<u>(34,937)</u>
<b>Net decrease in cash and cash equivalents</b>	(7,287)	(30,141)
Effect of exchange rate fluctuations on cash held	271	46
<b>Cash and cash equivalents at beginning of financial period</b>	<u>50,352</u>	<u>76,400</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>43,336</u>	<u>46,305</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 2012.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2012 - 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 31/12/2012 RM'000	Preceding Year Corresponding Period 31/12/2011 RM'000 <i>Restated</i>
Deposits placed with licensed banks	41,015	33,890
Cash and bank balances	2,321	12,415
	<u>43,336</u>	<u>46,305</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 2012.



## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 December 2012

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

#### 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 ("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 2012 which was prepared in accordance with the Financial Reporting Standards ("FRS"). 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 2012.

These condensed consolidated interim financial statements are for part of the period covered by the Group's first MFRS framework annual financial statements for the financial year ending 31 March 2013 and MFRS 1, *First-time adoption of Malaysian Financial Reporting Standards* has been applied.

The transition from FRS to MFRS did not have material impact on the comprehensive income, financial position and cash flows of the Group other than the adjustments disclosed below.

The date of transition to MFRS framework is 1 April 2011. The Group elected to regard fair value of long term leasehold land as deemed cost. The effect of the adjustment is as follows:-

	<u>Previously Stated</u> RM'000	<u>Adjustment</u> RM'000	<u>Restated</u> RM'000
<u>As at 31 March 2012</u>			
<i>Consolidated Statement of Financial Position</i>			
Property, Plant and Equipment	31,710	6,815	38,525
Deferred Tax Liabilities	1,736	1,702	3,438
Retained Earnings	43,959	5,113	49,072
<u>31 December 2011</u>			
<i>Consolidated Statement of Comprehensive Income</i>			
Cost of Sales	(59,063)	(78)	(59,141)
Tax Expense	(6,588)	21	(6,567)
<i>Consolidated Statement of Changes in Equity</i>			
Retained Earnings as 1 April 2011	55,578	5,188	60,766
Total Comprehensive Income	18,061	(57)	18,004
<i>Consolidated Statement of Cash Flows</i>			
Depreciation	2,147	78	2,225

#### A2. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2012 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.



## OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 December 2012

### 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 a special interim of 11.00 sen per ordinary share under single tier system on 3 October 2012 (31 December 2011: Nil).

### A8. Segmental reporting

The Group operates wholly in Malaysia.

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

#### 31 December 2012

<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	77,008	9,584	58	86,650	-	86,650
Intersegment revenue	-	16,594	4,383	20,977	(20,977)	-
Total revenue	<u>77,008</u>	<u>26,178</u>	<u>4,441</u>	<u>107,627</u>	<u>(20,977)</u>	<u>86,650</u>
Segmental results	13,633	2,379	18,118	34,130	(15,983)	18,147
Unallocated expenses						(175)
Operating Profit						<u>17,972</u>
Interest income						972
Profit before tax						<u>18,944</u>
Income tax expense						(4,639)
Profit after tax						<u>14,305</u>

#### 31 December 2011

*Restated*

<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	70,418	18,283	66	88,767	-	88,767
Intersegment revenue	-	19,443	4,383	23,826	(23,826)	-
Total revenue	<u>70,418</u>	<u>37,726</u>	<u>4,449</u>	<u>112,593</u>	<u>(23,826)</u>	<u>88,767</u>
Segmental results	16,985	4,650	35,642	57,277	(33,796)	23,481
Unallocated expenses						(87)
Operating Profit						<u>23,394</u>
Interest income						1,177
Profit before tax						<u>24,571</u>
Income tax expense						(6,567)
Profit after tax						<u>18,004</u>



## OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 December 2012

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

The Group did not carry out any valuation on its property, plant and equipment other than adjusting its leasehold land to fair value as disclosed under note A1.

### 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

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

### 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 2012 RM'000	As at 31 March 2012 RM'000
Performance and warranty bonds issued	23,841	18,595

### A13. Significant Related Party Transactions

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

	Current Quarter 31 Dec 2012 RM'000	Preceding Year Corresponding Quarter 31 Dec 2011 RM'000	Current Year To Date 31 Dec 2012 RM'000	Preceding Year Corresponding Period 31 Dec 2011 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	2,836	4,112	8,507	15,577
Business development commission	1,311	-	2,340	-
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	3,674	3,551	9,014	8,185





## **OPCOM HOLDINGS BERHAD**

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Notes on the Quarterly Interim Financial Report - 31 December 2012

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

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

The Group registered revenue of RM32.9 million and profit before tax of RM6.8 million in current quarter as compared to revenue and profit before tax of RM33.1 million and RM8.3 million respectively in the preceding year's corresponding quarter. The slight decrease of revenue in current quarter was mainly due to decrease in customer demand for accessories.

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 5% in current quarter was mainly due to increase in customer demand for cables.
- b) Trading and Engineering Services - The decrease in revenue by 7% in current quarter was due to decrease in customer demand for accessories.
- c) Other Operations - The revenue contribution in current quarter was near consistent with preceding year's corresponding quarter.

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

The Group's revenue increased to RM32.9 million in current quarter as compared to the immediate preceding quarter of RM27.0 million. The Group registered a profit before tax of RM6.8 million in the current quarter as compared to RM6.7 million in the immediate preceding quarter. The increase of revenue in current quarter was mainly due to increase in customer demand for cables and accessories.

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 16% in current quarter was mainly due to increase in customer order for cables.
- b) Trading and Engineering Services - The increase in revenue by 50% in current quarter was due to increase in customer demand for accessories and more supply of materials for cable manufacturing.
- c) Other Operations - The revenue contribution in current quarter was near consistent with immediate preceding quarter.

#### **B3. Prospects**

On 9 October 2012, the Group received a Letter of Award from Telekom Malaysia Berhad for the supply and delivery of single mode optical fiber cables and other cables to Telekom Malaysia Berhad for a period of three (3) years. The Group is currently negotiating the terms and conditions of the Letter of Award with the customer.

Orders from other telecommunications service providers have been strong and the Group has won a supply mandate to supply fiber optic cables to a leading mobile telecommunications operator in Malaysia during the quarter under review. The Group expects its sales and shipment of fiber optic cables to be good, and the Board is positive of the Group's performance for the remaining quarter of the financial year ending 31 March 2013.

#### **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 - 31 December 2012

**B5. Income Tax Expense**

	Quarter ended		Financial period ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000 <i>Restated</i>	31 Dec 2012 RM'000	31 Dec 2011 RM'000 <i>Restated</i>
Tax expense	1,334	2,638	4,768	7,090
Deferred taxation	153	(202)	(129)	(523)
	<u>1,487</u>	<u>2,436</u>	<u>4,639</u>	<u>6,567</u>

The Group recorded tax expense of RM1.5 million for the current quarter and RM4.6 million for current financial period. The Group's effective tax rate for current financial year was slightly lower than the statutory tax rate of 25%. The lower tax expense was mainly due to reversal of overprovision of prior year tax expense.

**B6. Status of corporate proposals as at 27 February 2013  
(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 February 2013.

**B7. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 31 December 2012.

**B8. Derivative Financial Instruments**

The Group has no derivative financial instruments as at 31 December 2012.

**B9. Material litigation as at 27 February 2013  
(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 February 2013, being the latest practicable date.

**B10. Dividends**

The Company did not declare dividend during the current quarter (31 December 2011: Nil).

Total net dividends declared for the current financial year is 12.50 sen per ordinary share (31 December 2011: 24.50 sen per ordinary share).

**B11. Earnings per share**

	Quarter ended		Financial period ended	
	31 Dec 2012	31 Dec 2011 <i>Restated</i>	31 Dec 2012	31 Dec 2011 <i>Restated</i>
Profit and total comprehensive income attributable to owners of the Company (RM'000)	3,993	4,395	10,821	13,603
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>3.10</u>	<u>3.41</u>	<u>8.39</u>	<u>10.54</u>

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



**OPCOM HOLDINGS BERHAD**

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Notes on the Quarterly Interim Financial Report - 31 December 2012

**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 year into realised and unrealised profits or losses is as follows:-

	As at 31 Dec 2012 RM'000	As at 31 March 2012 RM'000 <i>Restated</i>
Total retained profits		
i) Company and its subsidiaries		
- realised	63,714	71,258
- unrealised	<u>(6,561)</u>	<u>(7,089)</u>
	57,153	64,169
ii) Less : Consolidation adjustments	<u>(13,385)</u>	<u>(15,097)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>43,768</u></u>	<u><u>49,072</u></u>

The unrealised portion of the retained profits as at 31 March 2012 was adjusted to take into account of the deferred tax liabilities provision arising from the revaluation of long term leasehold land stated under note A1.

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 Period**

	Quarter ended		Financial period ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000 <i>Restated</i>	31 Dec 2012 RM'000	31 Dec 2011 RM'000 <i>Restated</i>
Profit for the period is arrived at after crediting:				
Interest income	205	310	972	1,177
Other income	4	44	139	1,016
Foreign exchange gain	581	-	651	409
and after charging:				
Interest expense	-	-	-	-
Depreciation	679	806	2,102	2,225
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	35	-	259
Foreign exchange loss	-	430	582	-

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 2012 (31 December 2011: Nil).