



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 March 2012

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Year Ended 31 March 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2012 RM'000	Preceding Year Corresponding Quarter 31/03/2011 RM'000	Current Year 31/03/2012 RM'000	Preceding Year 31/03/2011 RM'000
Revenue		39,069	34,215	127,836	136,558
Cost of sales		(26,849)	(23,169)	(85,912)	(91,425)
Gross profit		12,220	11,046	41,924	45,133
Other operating income		276	1,072	1,292	2,404
Administrative expenses		(2,462)	(2,390)	(6,140)	(6,301)
Distribution costs		551	(1,090)	(2,336)	(4,866)
Other operating expenses		236	(152)	(446)	(403)
Operating profit		10,821	8,486	34,294	35,967
Interest Income		306	451	1,483	1,341
Profit before tax		11,127	8,937	35,777	37,308
Income tax expense		(2,697)	(2,290)	(9,285)	(9,719)
Profit and total comprehensive income for the period	B15	8,430	6,647	26,492	27,589
Profit and total comprehensive income attributable to:-					
Owners of the Company		6,326	4,817	19,986	20,254
Non-controlling interest		2,104	1,830	6,506	7,335
		<u>8,430</u>	<u>6,647</u>	<u>26,492</u>	<u>27,589</u>
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B12	<u>4.90</u>	<u>3.73</u>	<u>15.49</u>	<u>15.70</u>
Diluted (sen)	B12	<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 2011.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2012

	Note	As At End Of Current Quarter 31/03/2012 RM'000	As At Preceding Financial Year End 31/03/2011 RM'000
Non-current assets			
Property, plant and equipment	A9	31,710	32,934
Deferred tax assets		3	3
		<u>31,713</u>	<u>32,937</u>
Current assets			
Inventories		17,087	14,969
Trade and other receivables		47,005	35,934
Cash and cash equivalents		50,352	76,400
		<u>114,444</u>	<u>127,303</u>
TOTAL ASSETS		<u>146,157</u>	<u>160,240</u>
Equity			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		43,959	55,578
		<u>75,574</u>	<u>87,193</u>
Non-controlling interest		<u>18,836</u>	<u>22,683</u>
Total equity		<u>94,410</u>	<u>109,876</u>
Non-current liabilities			
Deferred tax liabilities		1,736	1,833
		<u>1,736</u>	<u>1,833</u>
Current liabilities			
Trade and other payables		45,583	43,060
Provisions		2,021	3,164
Taxation		2,407	2,307
		<u>50,011</u>	<u>48,531</u>
Total liabilities		51,747	50,364
TOTAL EQUITY AND LIABILITIES		<u>146,157</u>	<u>160,240</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 2011.

**OPCOM HOLDINGS BERHAD**

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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 March 2012

Group	Share capital RM'000	Non-Distributable Share premium RM'000	Capital reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Balance at 1 April 2011	25,800	5,812	3	55,578	87,193	22,683	109,876
Dividends paid	-	-	-	(31,605)	(31,605)	(10,353)	(41,958)
Total comprehensive income for the financial year	-	-	-	19,986	19,986	6,506	26,492
Balance at 31 March 2012	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>43,959</u>	<u>75,574</u>	<u>18,836</u>	<u>94,410</u>
Balance at 1 April 2010	25,800	5,812	3	41,129	72,744	16,593	89,337
Dividends paid	-	-	-	(5,805)	(5,805)	(1,245)	(7,050)
Total comprehensive income for the financial year	-	-	-	20,254	20,254	7,335	27,589
Balance at 31 March 2011	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>55,578</u>	<u>87,193</u>	<u>22,683</u>	<u>109,876</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 2011.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 March 2012

	Current Year 31/03/2012 RM'000	Preceding Year 31/03/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	35,777	37,308
Adjustments for:-		
Depreciation	2,876	2,868
Interest Income	(1,483)	(1,341)
Other Non-cash items	193	(441)
Other Non-operating items	35	(43)
Operating profit before working capital changes	<u>37,398</u>	<u>38,351</u>
Changes in working capital:-		
Inventories	(2,118)	1,851
Trade and other receivables	(10,864)	(13,578)
Trade and other payables	(4,458)	9,100
Provisions	(1,143)	1,539
Cash generated from operations	<u>18,815</u>	<u>37,263</u>
Tax paid	<u>(9,283)</u>	<u>(7,688)</u>
Net cash generated from operating activities	<u>9,532</u>	<u>29,575</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,715)	(1,175)
Proceeds from disposal of property, plant and equipment	28	387
Interest received	1,276	1,341
Pledged deposits released from bank	-	3,600
Net cash (used in)/generated from investing activities	<u>(411)</u>	<u>4,153</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(34,937)</u>	<u>(7,805)</u>
Net cash used in financing activities	<u>(34,937)</u>	<u>(7,805)</u>
Net (decrease)/increase in cash and cash equivalents	(25,816)	25,923
Effect of exchange rate fluctuations on cash held	(232)	99
Cash and cash equivalents at beginning of financial year	<u>76,400</u>	<u>50,378</u>
Cash and cash equivalents at end of financial year	<u>50,352</u>	<u>76,400</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 2011.



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Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 March 2012 - continued

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

	Current Year 31/03/2012 RM'000	Preceding Year 31/03/2011 RM'000
Deposits placed with licensed banks	35,190	64,183
Cash and bank balances	<u>15,162</u>	<u>12,217</u>
	<u>50,352</u>	<u>76,400</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 2011.



OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 March 2012

A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD ("FRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements for the current quarter have been prepared in compliance with the Financial Reporting Standards FRS 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 for the financial year ended 31 March 2011. These explanatory notes attached to the 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 2011.

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 2011 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations that are issued by the Malaysian Accounting Standard Board ("MASB") with effect from 1 April 2011:-

FRS 1, First-time Adoption of Financial Reporting Standards (revised)

FRS 3, Business Combination (revised)

FRS 127, Consolidated and Separate Financial Statements (revised)

Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

Amendments to FRS 1, First-time Adoption of Financial Reporting Standards

Amendments to FRS 7, Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

Improvements to FRSs (2010)

The adoption of the new and revised FRSs, Amendments to FRSs and Interpretations 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 2011 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.



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Notes on the Quarterly Interim Financial Report - 31 March 2012

A7. Dividends paid

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

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 March 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
Revenue:						
External Revenue	99,768	27,979	89	127,836	-	127,836
Intersegment revenue	-	28,155	5,844	33,999	(33,999)	-
Total revenue	99,768	56,134	5,933	161,835	(33,999)	127,836
Segmental results	25,646	6,239	36,380	68,265	(33,820)	34,445
Unallocated expenses						(151)
Operating Profit						34,294
Interest income						1,483
Profit before tax						35,777
Income tax expense						(9,285)
Profit after tax						26,492

31 March 2011

<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	106,764	29,723	71	136,558	-	136,558
Intersegment revenue	-	17,723	5,844	23,567	(23,567)	-
Total revenue	106,764	47,446	5,915	160,125	(23,567)	136,558
Segmental results	28,707	5,225	7,648	41,580	(5,390)	36,190
Unallocated expenses						(223)
Operating Profit						35,967
Interest income						1,341
Profit before tax						37,308
Income tax expense						(9,719)
Profit after tax						27,589

A9. Valuations of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment.



OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 March 2012

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 March 2012	As at 31 March 2011
	RM'000	RM'000
Performance and warranty bonds issued	19,129	18,595

A13. Significant Related Party Transactions

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

	Current Quarter 31 March 2012 RM'000	Preceding Year Corresponding Quarter 31 March 2011 RM'000	Current Year 31 March 2012 RM'000	Preceding Year 31 March 2011 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	8,863	6,013	24,440	24,115
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	5,078	6,542	13,263	11,762



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Notes on the Quarterly Interim Financial Report - 31 March 2012

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

B1. Review of Performance

The Group registered revenue of RM39.1 million and profit before tax of RM11.1 million in current quarter as compared to revenue and profit before tax of RM34.2 million and RM8.9 million respectively in the preceding year's corresponding quarter. The revenue had increased by RM4.9 million as compared to preceding year's corresponding quarter mainly due to increase in demand from customers in current quarter.

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 8% in current quarter was mainly due to increase of customer's demand for cables.
- b) Trading and Engineering Services - The increase in revenue by 64% in current quarter was mainly due to more supply of materials for cables manufacturing.
- c) Other Operations - The revenue contribution in current quarter was consistent with preceding year's corresponding quarter.

There was a reduction in Distribution Costs recorded in current quarter compared to preceding year's corresponding quarter due to a reversal of provisions of RM1.9 million in the current quarter. The Other Operating Expenses was reduced due to reclass of foreign exchange loss of RM0.4 million from Other Operating Expenses to Administrative Expenses in the current quarter.

B2. Variation of results against the immediate preceding quarter

The Group's revenue increased to RM39.1 million in current quarter as compared to the immediate preceding quarter of RM33.1 million. The Group registered a profit before tax of RM11.1 million in the current quarter as compared to RM8.3 million in the immediate preceding quarter. The revenue recorded in current quarter increased by RM6.0 million mainly due to increase in customer order.

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 5% in current quarter was mainly due to increase in customer order.
- b) Trading and Engineering Services - The increase in revenue by 63% in current quarter was mainly due to more supply of materials for cables manufacturing.
- c) Other Operations - The revenue contribution in current quarter was consistent with immediate preceding quarter.

B3. Prospect

A subsidiary of the Company had signed a RM82.3 million variation order to the FTTH Supply Contract with Telekom Malaysia Berhad on 2 May 2012 and the Board is positive of the Group's performance in 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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B5. Income Tax Expense

	Quarter ended		Financial year ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Tax expense	2,271	2,220	9,382	9,883
Deferred taxation	426	70	(97)	(164)
	<u>2,697</u>	<u>2,290</u>	<u>9,285</u>	<u>9,719</u>

The Group recorded tax expense of RM2.7 million and RM9.3 million for the current quarter and current financial year respectively. The Group's effective tax rate for current financial year was slightly higher than the statutory tax rate of 25%. The higher tax expense was mainly due to under provision of taxation in prior year.

B6. Gain/(Loss) on Disposal of Quoted, Unquoted Investments and/or Properties

There was no disposal of quoted, unquoted investments or properties during the current quarter.

B7. Status of corporate proposals as at 29 May 2012

(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 29 May 2012.

B8. Group borrowings and Debt Securities

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

B9. Derivative Financial Instruments

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

B10. Material litigation as at 29 May 2012

(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 29 May 2012, being the latest practicable date.

B11. Dividends

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

Total net dividends declared for the current financial year is 24.50 sen per ordinary share (31 March 2011: 4.50 sen per ordinary share).



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Notes on the Quarterly Interim Financial Report - 31 March 2012

B12. Earnings per share

	Quarter ended		Financial year ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Profit and total comprehensive income attributable to owners of the Company (RM'000)	6,326	4,817	19,986	20,254
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	4.90	3.73	15.49	15.70

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

B13. 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 March 2012 RM'000	As at 31 March 2011 RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	64,444	80,789
- unrealised	(5,387)	(6,599)
	59,057	74,190
ii) Less : Consolidation adjustments	(15,098)	(18,612)
Group total retained profits as per unaudited consolidated accounts	43,959	55,578

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.

B14. 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.



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Notes on the Quarterly Interim Financial Report - 31 March 2012

B15. Profit for the Period

	Quarter ended		Financial year ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:				
Interest income	306	451	1,483	1,341
Other income	204	62	396	390
Foreign exchange gain	458	924	867	1,902
and after charging:				
Interest expense	-	-	-	-
Depreciation	729	696	2,876	2,868
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	837	469	578	835
Foreign exchange loss	192	-	192	-

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 2012 (31 March 2011: Nil).