



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 September 2013

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 September 2013

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/09/2013 RM'000	Preceding Year Corresponding Quarter 30/09/2012 RM'000	Current Year To Date 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
Revenue		10,888	27,049	26,337	53,774
Cost of sales		<u>(9,973)</u>	<u>(17,003)</u>	<u>(23,563)</u>	<u>(36,254)</u>
Gross profit		915	10,046	2,774	17,520
Other operating income		2	24	448	135
Administrative expenses		(1,431)	(1,501)	(2,923)	(2,967)
Distribution costs		923	(1,191)	394	(1,558)
Other operating expenses		<u>(351)</u>	<u>(1,079)</u>	<u>(651)</u>	<u>(1,724)</u>
Operating profit		58	6,299	42	11,406
Interest Income		<u>404</u>	<u>398</u>	<u>821</u>	<u>767</u>
Profit before tax		462	6,697	863	12,173
Income tax expense		<u>(34)</u>	<u>(1,765)</u>	<u>(245)</u>	<u>(3,152)</u>
Profit and total comprehensive income for the period	B14	<u>428</u>	<u>4,932</u>	<u>618</u>	<u>9,021</u>
Profit and total comprehensive income attributable to:-					
Owners of the Company		506	3,735	819	6,828
Non-controlling interest		<u>(78)</u>	<u>1,197</u>	<u>(201)</u>	<u>2,193</u>
		<u>428</u>	<u>4,932</u>	<u>618</u>	<u>9,021</u>
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	<u>0.39</u>	<u>2.90</u>	<u>0.63</u>	<u>5.29</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 2013.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2013

	Note	As At End Of Current Quarter 30/09/2013 RM'000	As At Preceding Financial Year End 31/03/2013 RM'000
Non-current assets			
Property, plant and equipment	A9	36,728	37,180
Deferred tax assets		12	12
		<u>36,740</u>	<u>37,192</u>
Current assets			
Inventories		9,967	16,169
Trade and other receivables		22,398	26,057
Current tax assets		1,347	151
Cash and cash equivalents		48,697	60,872
		<u>82,409</u>	<u>103,249</u>
TOTAL ASSETS		<u>119,149</u>	<u>140,441</u>
Equity			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		38,983	45,904
		<u>70,598</u>	<u>77,519</u>
Non-controlling interest		15,302	17,603
Total equity		<u>85,900</u>	<u>95,122</u>
Non-current liabilities			
Deferred tax liabilities		2,895	3,147
		<u>2,895</u>	<u>3,147</u>
Current liabilities			
Trade and other payables		28,244	39,073
Provisions		2,110	3,099
Current tax liabilities		-	-
		<u>30,354</u>	<u>42,172</u>
Total liabilities		33,249	45,319
TOTAL EQUITY AND LIABILITIES		<u>119,149</u>	<u>140,441</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 2013.



OPCOM HOLDINGS BERHAD

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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 September 2013

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 2013	25,800	5,812	3	45,904	77,519	17,603	95,122
Dividends paid	-	-	-	(7,740)	(7,740)	(2,100)	(9,840)
Total comprehensive income/(loss) for the financial period	-	-	-	819	819	(201)	618
Balance at 30 September 2013	25,800	5,812	3	38,983	70,598	15,302	85,900
Balance at 1 April 2012	25,800	5,812	3	49,072	80,687	18,836	99,523
Dividends paid	-	-	-	(1,935)	(1,935)	(5,089)	(7,024)
Total comprehensive income for the financial period	-	-	-	6,828	6,828	2,193	9,021
Balance at 30 September 2012	25,800	5,812	3	53,965	85,580	15,940	101,520

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 2013.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 September 2013

	Current Financial Period 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	863	12,173
Adjustments for:-		
Depreciation	1,286	1,423
Interest Income	(821)	(767)
Other Non-cash items	(104)	47
Other Non-operating items	1	3
Operating profit before working capital changes	<u>1,225</u>	<u>12,879</u>
Changes in working capital:-		
Inventories	6,202	3,060
Trade and other receivables	3,789	11,503
Trade and other payables	(13,189)	(15,446)
Provisions	(989)	4
Cash generated from operations	<u>(2,962)</u>	<u>12,000</u>
Tax paid	(1,693)	(2,904)
Net cash (used in)/generated from operating activities	<u>(4,655)</u>	<u>9,096</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(839)	(187)
Proceeds from disposal of property, plant and equipment	1	-
Interest received	951	813
Net cash generated from investing activities	<u>113</u>	<u>626</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(7,740)	(1,935)
Net cash used in financing activities	<u>(7,740)</u>	<u>(1,935)</u>
Net (decrease)/increase in cash and cash equivalents	(12,282)	7,787
Effect of exchange rate fluctuations on cash held	107	(29)
Cash and cash equivalents at beginning of financial period	<u>60,872</u>	<u>50,352</u>
Cash and cash equivalents at end of financial period	<u>48,697</u>	<u>58,110</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 2013.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 September 2013 - 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 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
Deposits placed with licensed banks	44,020	41,810
Cash and bank balances	<u>4,677</u>	<u>16,300</u>
	<u>48,697</u>	<u>58,110</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 2013.



OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 30 September 2013

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 ("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 2013 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 2013.

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 2013. 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 2013:-

- MFRS 10, *Consolidated Financial Statements*
- MFRS 13, *Fair Value Measurement*
- MFRS 127, *Separate Financial Statements (2011)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*

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 2013 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 a special interim dividend of 6.00 sen per ordinary share under single tier system on 20 September 2013 (30 September 2012: Nil).



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Notes on the Quarterly Interim Financial Report - 30 September 2013

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 September 2013

<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	26,308	-	29	26,337	-	26,337
Intersegment revenue	-	2,773	11,970	14,743	(14,743)	-
Total revenue	26,308	2,773	11,999	41,080	(14,743)	26,337
Segmental results	(1,462)	261	9,047	7,846	(7,681)	165
Unallocated expenses						(123)
Operating loss						42
Interest income						821
Profit before tax						863
Income tax expense						(245)
Profit after tax						618

30 September 2012

(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
Revenue:						
External revenue	53,730	-	44	53,774	-	53,774
Intersegment revenue	-	9,707	20,359	30,066	(30,066)	-
Total revenue	53,730	9,707	20,403	83,840	(30,066)	53,774
Segmental results	9,267	939	17,450	27,656	(16,094)	11,562
Unallocated expenses						(156)
Operating profit						11,406
Interest income						767
Profit before tax						12,173
Income tax expense						(3,152)
Profit after tax						9,021

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

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 September 2013

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 30 Sept 2013 RM'000	As at 31 March 2013 RM'000
Performance and warranty bonds issued	5,911	24,395

A13. Significant Related Party Transactions

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

	Current Quarter 30 Sept 2013 RM'000	Preceding Year Corresponding Quarter 30 Sept 2012 RM'000	Current Year To Date 30 Sept 2013 RM'000	Preceding Year Corresponding Period 30 Sept 2012 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:				
Purchase of accessories	2,773	1,991	6,986	5,671
Business development commission	376	617	582	1,029
Corporate shareholder of a subsidiary of the Company:				
Purchase of materials	639	2,399	676	5,340



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Notes on the Quarterly Interim Financial Report - 30 September 2013

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

B1. Review of Performance

The Group registered revenue of RM10.9 million and profit before tax of RM0.5 million in current quarter as compared to revenue and profit before tax of RM27.0 million and RM6.7 million respectively in the preceding year's corresponding quarter. The decrease of revenue in current quarter was mainly due to decrease in customer order for cables and 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 decrease in revenue by 60% in current quarter was mainly due to decrease in customer order for cables and accessories.
- b) Trading and Engineering Services - The decrease in revenue by 74% in current quarter was due to decrease in supply of materials for cable manufacturing.
- c) Other Operations - The decrease in revenue by 40% in current quarter was due to less dividend income received.

B2. Variation of results against the immediate preceding quarter

The Group's revenue decreased to RM10.9 million in current quarter as compared to the immediate preceding quarter of RM15.4 million. The Group registered a profit before tax of RM0.5 million in the current quarter as compared to profit before tax of RM0.4 million in the immediate preceding quarter. The decrease of revenue in current quarter was mainly due to decrease in customer order for accessories.

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

- a) Manufacturing - The decrease in revenue by 30% in current quarter was mainly due to decrease in customer order for accessories.
- b) Trading and Engineering Services - The decrease in revenue by 8% in current quarter was due to decrease in supply of materials for cable manufacturing.
- c) Other Operations - The increase in revenue by 364% in current quarter was due to dividend income received.

B3. Prospects

The general business outlook remains challenging for the fiber optics cable industry in Malaysia. However, the Board is of the opinion that with the recent Malaysian Budget proposal to allocate up to RM1.8 billion for the second phase of the High Speed Broadband (HSBB) Project, the Company remains cautiously optimistic of its business performance for the remaining quarters of the 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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B5. Income Tax Expense

	Quarter ended		Financial period ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Tax expense	171	2,012	497	3,434
Deferred taxation	(137)	(247)	(252)	(282)
	<u>34</u>	<u>1,765</u>	<u>245</u>	<u>3,152</u>

The Group recorded tax expense of RM0.03 million for the current quarter and RM0.20 million for current financial period. The Group's effective tax rate for current financial year was higher than the statutory tax rate of 25%. The higher tax expense was mainly due to tax payable on non-business income and certain expenses not deductible for tax purposes.

B6. Status of corporate proposals as at 28 November 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 28 November 2013.

B7. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 September 2013.

B8. Derivative Financial Instruments

The Group has no derivative financial instruments as at 30 September 2013.

B9. Material litigation as at 28 November 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 28 November 2013, being the latest practicable date.

B10. Dividends

During the current quarter, the Company declared a special interim dividend of 6.00 sen per ordinary share under single tier system for current financial year on 26 August 2013 and fully paid the same on 20 September 2013 (30 September 2012: A special interim dividend of 11.00 sen per ordinary share).

Total net dividends declared for the current financial year is 6.00 sen per ordinary share (30 September 2012: 12.50 sen per ordinary share).

B11. Earnings per share

	Quarter ended		Financial period ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
Profit and total comprehensive income attributable to owners of the Company (RM'000)	506	3,735	819	6,828
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>0.39</u>	<u>2.90</u>	<u>0.63</u>	<u>5.29</u>

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



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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 30 Sept 2013 RM'000	As at 31 March 2013 RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	55,820	65,860
- unrealised	<u>(5,627)</u>	<u>(6,404)</u>
	50,193	59,456
ii) Less : Consolidation adjustments	<u>(11,210)</u>	<u>(13,552)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>38,983</u></u>	<u><u>45,904</u></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 Period

	Quarter ended		Financial period ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Profit for the period is arrived at after crediting:				
Interest income	404	398	821	767
Other income	2	24	42	64
Foreign exchange gain	-	-	406	70
and after charging:				
Interest expense	-	-	-	-
Depreciation	645	676	1,286	1,423
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	(3)	-	22	-
Foreign exchange loss	106	268	106	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 30 September 2013 (30 September 2012: Nil).